

FINANCIAL TIMES

INDIA

Shadow of caste
haunts V.P. Singh

Page 4

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Friday January 19 1990

World News

East Europe
wants Soviet
troops out
this year

The Government of Hungary and Mr. Lech Walesa, the Polish Solidarity leader, both called for complete withdrawal of Soviet forces from their countries by the end of this year or early 1991. Page 18

KGB tells \$8m deal
The KGB thwarted an illegal scheme to ship a dozen new, fully-equipped Soviet T-72 tanks to an unnamed western country in a deal that stood to net the weapons makers \$8m profit, *Levitsky* reported.

Refugee for Quayside
The White House has been forced to scale back Vice President Dan Quayle's proposed fence-mending visit to Latin America after the US invasion of Panama because Latin leaders indicated he would not be welcome. Page 3

Nagasaki shooting
The mayor of Nagasaki, who outraged many Japanese by blaming the late Emperor Hirohito for Japan's involvement in the Second World War, was shot and wounded by a right-wing gunman. Page 4

Swedish threat
Talks start today between Swedish employers, union leaders and the Government on a national wage agreement amid a threat of unofficial strikes. Page 2

Ukrainian converts
Some 700 congregations and 350 priests of the Russian Orthodox Church have asked to join the outlawed Ukrainian Catholic Church since it was given de facto recognition by Soviet authorities.

Cambodian revolt
Cambodia's communist rulers are expected to go the East European route this week and formally ditch socialism as their main goal.

China frees 673
China said it had freed 673 people arrested for taking part in pro-democracy unrest crushed by the army last June.

Zhivkov charged
Disgraced former Bulgarian leader Todor Zhivkov has been charged with inciting ethnic hostility, malfeasance in office and misuse of state property. Talks break down. Page 2

Polish strike crisis
Polish Prime Minister Tadeusz Mazowiecki faced the worst strikes since the Solidarity-led government took power but said he would press ahead with economic austerity.

German unity call
The Bonn government called for an explicit commitment to German unification from both German states as soon as free elections had been held in East Germany.

Strasbourg's view
The European Parliament gave its moral support to UK ambassador in a gesture that infuriated British Conservative MEPs. Page 8

Latvian accused
A Latvian exile, Boleslavs Makovskis, 66, went on trial in Münster, West Germany for his alleged role in the deaths of 171 people in wartime Latvia.

Satirist murdered
A popular radio satirist in Haiti, Jean-André Destin, 33, died after being shot twice by an unidentified gunman in Port-au-Prince.

Snow go for skiers
From the Pyrenees to the Tirol, snow-starved skiers are being urged to take up hang-gliding or hiking as holiday operators bid to salvage business from Europe's third mild winter in a row.

Business Summary

Sankyo to
take control
of German
drugs group

Sankyo, Japan's second largest pharmaceuticals company, announced plans to buy a controlling stake in *Levitsky* West German drug maker, for DM220m (\$123m), in one of the largest Japanese corporate acquisitions in Europe. Page 19

PER ARWIDSSON, Swedish property developer, has revealed that he has become one of the largest shareholders of Furst, West German sports car company, after quietly buying shares on the open market over the past year. Page 19

STANDARD Chartered, London-based international bank, warned that mounting problems in the banking market would depress its 1989 profits. Page 19

AEROFLOT, Soviet national airline, has announced that it hopes to sign a leasing agreement for the purchase of five A-310 Airbus aircraft next week. Page 6

JOINT VENTURES registered in the European countries of Comoros and Yugoslavia soared to 3,345 by the end of 1989 from 165 at the beginning of 1988. Page 6

DIGITAL EQUIPMENT, second largest US computer company, showed a sharp fall in its share price on news of lower-than-expected second-quarter results. Page 19

PHILIPS PETROLEUM, US oil and chemical group, will take a \$280m charge on off-shore California investments, resulting in a "substantial" loss for the fourth quarter. Page 23

ALCOA, world's largest aluminium producer whose performance is widely considered to reflect the state of the US industrial economy, slumped Wall Street with a disappointing fourth-quarter earnings announcement. Page 23

CHINA International Trust and Investment Corporation, state-owned diversified industrial group, moved to take an active investment role on the Hong Kong Stock Exchange, by agreeing to acquire control of the small quoted company, *Yitull*. Page 23

AMERICAN Airlines, Dallas-based carrier, is to increase its transatlantic capacity by 25 per cent, intensifying competition on the lucrative routes at a time when US and European airlines are reporting falling profits. Page 22

Pfizer, third largest US drug company, said the persistent strength of the dollar had led to a 6 per cent decline in net profit, despite a 9 per cent advance in worldwide sales. Page 22

COMMODITY Futures Trading Commission has said it will allow US institutions to use futures contracts on UK stock indices as part of a no-action clause agreed by the US futures and securities regulators. Page 24

PRIMERICA, US financial services conglomerate run by Sandy Weill, announced a \$280m net profit on \$5.7bn of 1989 total revenues. Page 22

ANGLO AMERICAN, largest South African mining group, will continue to increase gold production as a means of overcoming the effects of flat prices and rising costs. Page 22

BANKAMERICA, third largest US bank group, reported sharply improved results in the fourth quarter, continuing a strong recovery from the huge losses it suffered until a major management shake-up in 1988. Page 22

CHRISTIANIA BANK, top Norwegian bank, has signed a preliminary agreement in principle to acquire *Summoenbanken*, troubled medium-sized commercial bank. Page 22

Gorbachev attacks
critics as 'rabble,'
defends emergency

By Quentin Peel in Moscow

PRESIDENT Mikhail Gorbachev, the Soviet leader, yesterday denounced critics of his political and economic reforms as a "rabble" and defended the imposition of a state of emergency in the republic of Azerbaijan as a fight against extremism and criminals.

His offensive on the economic front came amid desperate attempts by the security forces to reimpose control on militant Azerbaijan and Armenian nationalists, fighting an open war in the mountains of the Transcaucasus.

The Red Army was yesterday forced to call up its reservists to bolster the troops on the ground. Soldiers already sent to the area were still held up at airports and in their bases by nationalist roadblocks and demonstrations.

However, Mr Gorbachev was adamant that the use of force was an essential part of a country-wide effort to stop the process of nationalist separatism, from the northern Baltic republics to Moldova in the west and the southern Transcaucasus.

And he rounded on doubters and critics of his economic policies, insisting that improvements were on the way and a massive switch from heavy industry to consumer goods was already taking effect.

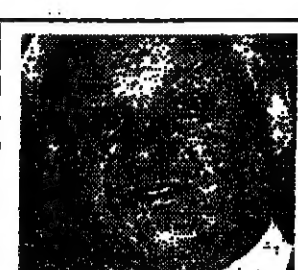
In *Sovetskaya Rossiya*, the official newspaper of the Communist Party in the Russian Federation, Mr Gorbachev said that a "rabble" of nationalists in the Urals steel city of Magnitogorsk, defended the old "command-administrative system" which Mr Gorbachev is seeking to dismantle.

Mr Romanov accused reformist economists of failing to present any coherent programme to meet the economic crisis.

The Soviet leader, however, defended the recovery of human rights and democracy in Soviet society, saying: "We must fight resolutely against all the rabble; all those who are putting in their oar to muddy this process of moral renaissance."

Mr Gorbachev was addressing a meeting of 1,000 workers, peasants and technicians in the Kremlin, summoned to give popular support to the ailing perestroika process.

He admitted that the reform process had reached its most

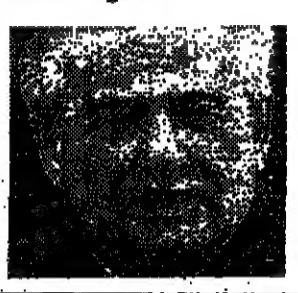


Mr Boris Yeltsin, former chief of Moscow's Communist Party, has made a blunt attack on Soviet President Mikhail Gorbachev (below), claiming that his perestroika reform programme has failed.

"Five years should be enough for a president to prove his worth. He hasn't fulfilled his pledges to the people," Mr Yeltsin says in an interview published in today's *Financial Times*.

Mr Yeltsin, elected last year as a member for Moscow to the national Congress of People's Deputies, calls for new forms of co-operation among the country's republics and says the constitutional primacy of the Communist Party must be repealed.

He says there is "great danger" of violence unless further radical reform is taken. Page 2



Gen. Dmitry Yazov, the Minister of Defence, described the situation as a "major disaster" when he announced the call-up of reservists on Moscow Radio. It is essential to control the centres of population, roads and state enterprises and institutions to prevent chaos from arising," he said.

However, a general strike yesterday paralysed factories and public transport in Baku, where the authorities have still not dared to impose the state of emergency.

In the border region of Nagorno-Karabakh, where nationalists tore down frontier defences with Iran two weeks ago, new mass rallies were held to protest at plans to rebuild them. Large-scale troop reinforcements, including tanks, have been sent to the region.

In Moscow, Armenian officials said that Armenia's use of helicopters to attack villages "cannot be described as anything other than war."

New figures released by the Interior Ministry said 66 people had died so far in the disturbances.

Reuter reports from Moscow: Soviet Azerbaijan officials declared yesterday that their republic was at war with neighbouring Armenia and claimed that Kremlin policy had contributed to the violence in the southern Soviet Union.

A spokesman for the Azerbaijan Popular Front also warned against any attempt by authorities to impose a curfew in Baku, saying it would fan passions which have led to the deaths of many Armenians in the city.

we need air," he said.

At the same time he warned grimly about the rise in nationalism on all sides. "The problems which have accumulated for tens of hundreds of years, have erupted," he said.

"We are now engaged in stopping this process from deepening further and becoming aggravated. We have taken the step of using force, too, against extremists, criminals, against this vandalism."

Meanwhile, reports from Azerbaijan suggested that some 11,000 extra troops had failed to reimpose order, either in the capital, Baku - where up to 60 Armenians have died in pogroms - or in the hills around the disputed territory of Nagorno-Karabakh.

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Bush and
Fed clash
over level
of rates

By Anthony Harris in Washington

CONFLICT between the US Administration and the Federal Reserve over monetary policy resurfaced yesterday as the White House argued for lower interest rates in the face of a sharp drop in housing starts.

A decline of 8 per cent in starts for December, taking them to the lowest level of activity since 1982, was "not good news," Mr Martin Fitcher, the White House spokesman said. "We aren't trying to tell the Fed what to do, but we have always said we would like lower interest rates," he added.

He said that a 0.4 per cent rise in the Consumer Price Index in December, also announced yesterday, "indicates inflation is low and under control."

However, Mr Martin Fitcher, vice chairman of the Federal Reserve, indicated in an interview in the *Wall Street Journal* on Thursday that he would not favour lower rates as long as economic signals remained mixed, and bond market yields indicated rising inflation concerns. Bond yields rose further on Wall Street after this indication that policy was unlikely to be eased.

Mr Wayne Angell, another Fed governor, had put the same arguments more forcefully in an interview last week. He said that the 4.6 per cent rate of wholesale inflation was "unacceptable," and that "whatever policy brings bond yields down is the right policy."

The White House expressed the hope that the Fed would review economic data and "see that lower interest rates are justified."

President Bush said at the weekend that he was "not satisfied yet" with the fall in rates achieved so far.

Mr Fitcher said: "We think the economy is sound... but there is some concern about a drop in retail sales and some indicators showing the economy growing at a slow pace. We want to be ever vigilant on the need for continued growth, but we don't see any dramatic problems in the immediate future."

Mr Fitcher conceded that the drop in housing starts might reflect the record cold spell rather than the state of demand. This appeared to be confirmed by the fact that permits for future housing starts, a more accurate figure and a more reliable forward indicator, fell only 0.4 per cent.

Thomson-CSF
pulls out of
Ferranti talks

By David White and Michael Skapinker in London

FERRANTI International's attempts to find a buyer appeared to reach a dead end yesterday when Thomson-CSF, the French defence group, said it was no longer interested in buying the company.

The announcement, which leaves Ferranti increasingly beleaguered, sent its shares tumbling from 37p to 26p.

Thomson had been widely seen as the only company which might bid for Ferranti before February 5, when the UK defence and electronics group's shareholders will be asked to approve a £187m (\$306m) rights issue.

Thomson, however, said it was also continuing talks with Ferranti on possible areas of co-operation. It said it might revive its takeover plan with the form of a counter-bid if another company made an offer.

Ferranti has been looking for a buyer since the discovery last year of a £215m alleged fraud involving ISC Technology, its US subsidiary, which has blown a hole in the company's balance sheet.

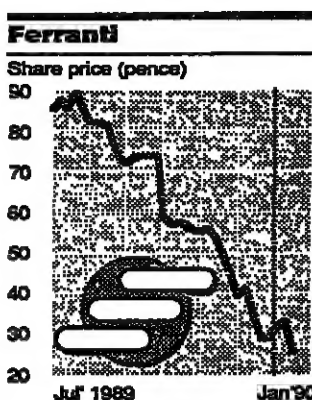
Thomson is the third large European defence contractor to have examined Ferranti's business in detail and rejected a bid. Its withdrawal follows announcements last December by British Aerospace and by Daimler-Benz, the West German industrial group, that they were not interested in taking over the company.

It now seems likely that any bid for Ferranti will be a joint effort by defence electronics companies looking to break up the company. General Electric Company of the UK is still interested in acquiring Ferranti's radar business. US groups such as Westinghouse had expressed an interest but had told Ferranti they would not be able to meet the February 5 deadline for a bid.

Despite Thomson's confirmation yesterday that it had been actively considering a full bid for Ferranti, Sir Derek Alun-Jones, the UK group's chairman and chief executive, said he had not expected a full bid from the French company. "Our discussions have centred on something other than bids - on collaborative joint venturing, that sort of thing," he said. "I don't think the com-

Continued on Page 18

Lex, Page 18; Markets, Page 29



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Continued on Page 18

Lex, Page 18; Markets, Page 29

Markets fall amid
wave of pessimism

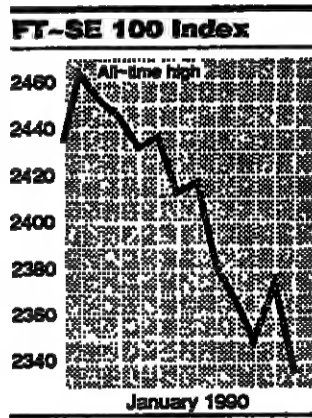
By Rachel Johnson in London

FEARS about inflation and interest rates on both sides of the Atlantic struck financial markets yesterday, driving down prices of equities and bonds.

In London, the FT-SE index fell 37 points to 2,336.9, following a series of substantial falls over the past few days. A piece of potentially positive news - unchanged average earnings figures - failed to arrest the downward trend.

A softer Wall Street opening Continued on Page 18

Lex, Page 18; London Stock Exchange, Page 29

Texaco takes \$355m charge
for environmental clean-up

By Anatole Kaletsky in New York

TEXACO, the US multinational oil group, yesterday announced a \$355m non-recurring charge, mainly to cover the cost of environmental improvements at its service stations and production plants.

The clean up charge pushed Texaco's fourth quarter results substantially below expectations, although Wall Street showed no immediate response to the disappointment.

Some analysts argued that oil company shares had already been battered in the past few days and investors were now looking beyond the last quarter's results. Texaco's shares, which had fallen 7 per cent in the past two weeks, were unchanged at \$5.50 in moderate trading on Wall Street.

Yesterday's special charge of \$355m largely offset a one-time gain of \$62m from the sale of US oil-producing properties, also recorded in the fourth quarter.

Including both these special items, Texaco's fourth quarter net income was \$287m or 99 cents a share, down sharply

from the \$296m or \$1.21 reported a year earlier.

Ms Mary Quinn, oil analyst at S.G. Warburg, the merchant bank, said the result was about 13 per cent below estimates, and added it would probably lead to a lowering of profit expectations for Texaco and other oil companies in 1990.

In 1989 as a whole Texaco made \$661m or \$3.10 a share, excluding one-off restructuring gains of \$1.55bn or \$6.02. In 1988 the company reported net income of \$1.12bn or \$4.61, excluding restructuring gains of \$1.81m or 74 cents.

Mr James Kinneer, Texaco's president, said the special charge for environmental programmes had been established to "provide for additional costs associated with environmental improvement programmes planned at our manufacturing, marketing and producing facilities."

Analysts said that most of the environmental charges would probably be spent on improving underground storage tanks at Texaco service stations, in response to con-

cerns about oil seepage and tighter environmental safety standards in the US.

Commenting on yesterday's results, Mr Kinneer said upstream earnings had benefited from higher oil prices, but downstream earnings were lower. Petrochemical earnings declined significantly as a result of falling prices and demand.

Ms Quinn of Warburg said other oil companies would be forced to set up similar clean up programmes, but added that she was surprised by the size of the fourth quarter charge. She suggested that account for these costs as a non-recurring item to offset the one-off restructuring gain announced in the latest quarter's results.

● The American Petroleum Institute reported that US oil production suffered its biggest decline in history last year. Domestic oil production fell by 6.8 per cent to 7.5m barrels a day, the lowest level since 1969. Oil imports rose to 46 per cent of US consumption, the second highest figure on record.

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President Bush makes the most
of the Reagan inheritance

A year after becoming President, George Bush (left) has proved to be more than a caretaker, at least in foreign affairs. He has been forced to develop his own policies after the upheavals in East-ern Europe. Page 15

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MARKETS

STERLING New York lunchtime: \$1.84365 London: \$1.845 (1.25) DM2.81 (2.7875) FF6.55 (6.48) Sfr2.4875 (2.4875) ¥240.25 (240.00) £ index 88.1 (87.8)	DOLLAR New York lunchtime: DM1.712 FF5.8185 Sfr1.5225 ¥146.25 London: DM1.708 (1.6900) FF5.805 (5.7450) Sfr1.5165 (1.5080) ¥145.05 (145.47) £ index 87.6 (87.1) Tokyo close: ¥145.66	STOCK INDICES FT-SE 100: 2,336.9 (-37.0) FT Ordinary: 1,864.4 (-30.9) FT-A All-Share: 1,169.74 (-1.4%) New York lunchtime: DJ Ind. Av. 2,642.46 (-10.57) S&P Comp 335.38 (-1.04) Tokyo: Nikkei 36,729.46 (-91.68)
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Calendar of events 1990

Weatherall Green & Smith have opened their fourth office in West Germany on the second of January. Munich is the first of their new European offices planned for the 1990's.

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EUROPEAN NEWS

Yeltsin accuses Gorbachev of failing Soviet people

The former Moscow party chief gives a frank interview, mounting a fresh challenge to the leadership over perestroika and democracy

PERESTROIKA has failed and Mr Mikhail Gorbachev, the Soviet President, has also failed the Soviet people, according to Mr Boris Yeltsin, perhaps the Soviet leader's most outspoken and vociferous critic. In a long interview with journalists from Dutch media group Elsevier, reported here with permission, Mr Yeltsin, who resigned as Moscow Communist Party chief after a row with Mr Gorbachev in 1987, sets out a blunt and highly critical view of five years of perestroika.

While Mr Gorbachev travelled to Lithuania to try to persuade the local party from splitting from the Soviet Communist Party, Mr Yeltsin forged a fresh challenge to the party in the shape of the Democratic Front, a union of different movements - the Interregional Group, the Popular Front, Lithuania's Sajudis, and Shield, an organisation of critical army officers. "Our common goal," says Mr Yeltsin, "is a democratic Soviet Union. Our Front offers a platform for all democratic forces in our country. As conservatives are closing ranks while democratic forces are being played off against one another, we also have to unite. What unites us is our dissatisfaction with the slow pace of reforms. Perestroika has failed. The leadership has failed."

Mr Yeltsin denies, however, that the Front will be an alternative to the Communist Party. "It is not a party but a movement. A force Mr Gorbachev will have to reckon with. He has denounced us as radicals, making it sound a term of abuse. We demand results rather than words. In practice, this means a form of co-operation between the different republics of the Soviet Union. This is the only solution to the nationalities problem. We have to repeal Article 6 of the constitution with its guarantee of a leading role for the Communist Party, and implement real reforms."

He is firm that this would mean communists relinquishing their hold on power. "The constitution should contain an article giving equal rights to all political and social organisations. Party monopoly is the main vice. We have to get rid of it." Moreover, he is also clear that his approach was always bound to bring him into direct confrontation with Mr Gorbachev. "If I hadn't existed, they would have had to invent a Yeltsin. In the Politburo,



no one dared to challenge Mr Gorbachev. When I was a member of the Politburo and opposed to Mr Gorbachev, he could still be considered a democrat. Later the Politburo members, including Mr Gorbachev, took flight. There was pressure to get rid of me. I suggested holding an early 28th Party Congress. I feel it should have been held last year, to discuss the situation within the party and to adopt measures for its renewal. It might have been Mr Gorbachev's congress, uniting radicals and conservatives. But it hasn't turned out that way. Mr Gorbachev failed to seize the opportunity. Now the division has become far more pronounced. It is essential to have different factions within the party. In the 1920s factions within the party were banned. This decision has to be repealed. At least, the people would know who they vote for. It would be clear who is right-wing, who is radical and who is a democrat, who is black and who is white.

Five years should have been enough for a president to prove his worth. He hasn't fulfilled his pledges to the people. He characterises the Soviet President as

a Machiavellian who divides and rules. But he considers that while Gorbachev also wants to rally all factions within the party behind his reform programme, this is no longer possible.

"I suggested holding an early 28th Party Congress. I feel it should have been held last year, to discuss the situation within the party and to adopt measures for its renewal. It might have been Mr Gorbachev's congress, uniting radicals and conservatives. But it hasn't turned out that way. Mr Gorbachev failed to seize the opportunity. Now the division has become far more pronounced. It is essential to have different factions within the party. In the 1920s factions within the party were banned. This decision has to be repealed. At least, the people would know who they vote for. It would be clear who is right-wing, who is radical and who is a democrat, who is black and who is white.

Five years should have been enough for a president to prove his worth. He hasn't fulfilled his pledges to the people. He characterises the Soviet President as

However, asked if he saw himself as an alternative to Mr Gorbachev, he replied: "No provocations, please."

"You shouldn't challenge me. I'm speaking frankly about my position, party life, politics and economics. Currently, I am drawing up a new programme aimed at reviving the country. A serious programme. But I will not be provoked into saying that I want to take Mr Gorbachev's place. Mr Gorbachev has indicated there are some people who vie for power. He hasn't named names. But it's only too evident he means Yeltsin."

Mr Yeltsin is prepared to name those who in his view would be competent to run the country. "The Politburo has only one man - apart from Mr Gorbachev - who is capable of leading the country: Mr Yakovlev, the number two. There is no one else. All the others are below the mark."

The former Moscow party chief remains a party member but his chief of the party's status and worth has been trans-

formed. "When I joined the party I unquestioningly believed the ideological dogmas. I believed communism was the only way. But as time went on I changed my way of thinking. Now I feel all these ideas don't matter. Of Marxism's five classical criteria we realised only one. We abolished private property. And we did it badly. We made a mess of it. We have to change."

"I support private ownership of production means and land. A new model is needed - possibly with socialist influences - which would incorporate the positive aspects of socialism but would also embrace the achievements of Western democracy. These I witnessed for myself when I visited the US last fall. No doubt scholars will later invent a name for such a model. The main question now is how to feed the people, clothe them, give them freedom, raise their cultural level and how to improve living standards."

ing by the 1990 fiscal budget, policy changes are insignificant. In the previous budget, capital investments in the non-productive sector were 26 per cent. They have now been raised to 32 per cent. They are not changes, but marginal shifts. US expenditures for the non-productive sector are at 70 per cent.

"Money can be saved by investing less in heavy industry and by cutting defence costs, linked of course to cutbacks in the US and other Nato countries. We should also rationalise investments in space research. The US is making a profit on it. Every dollar the Americans invest in space research yields a return of eight dollars. We in the Soviet Union get back only one fifth, 20 kopeks, per ruble."

"Society cannot continue to live in the state it has found itself in after all these 72 years. The first two years, people were euphoric about perestroika - both the people and the party. Everyone supported glasnost, the aim of free elections and the revival of self-respect in the nation, which had been downgraded for so many years. But from the very start, mistakes were made. We had no clear long-term concept with well defined stages and goals. We presumed the people would continue to put up with things. A nation that had suffered for 70 years, might go on suffering for another 15 years without an explosion. That was a mistake."

"I didn't take into account that the credibility the leadership relied on had its limits. After five, six years of perestroika the limit has now been reached. The people no longer tolerate low living standards. "Two or three years ago, I proposed in vain adopting legislation concerning private property, land reform, taxation and enterprises. The restructuring process was proclaimed rashly, it has no solid foundation. It's Khrushchev all over again."

"Unless the government and the party implement radical reforms, and unless relations with the republics after dramatically, a revolution is to be expected. Last month, I asked Mr Gorbachev in Congress if he was certain the changes in the Soviet Union would proceed without violence, as they have in East Germany and Czechoslovakia, contrary to what happened in Romania. I myself am not so certain. I foresee great danger. It is the most serious test we are facing."

Romania scraps referendum on death penalty

By Victor Mallet in Bucharest

ROMANIA'S interim government yesterday announced it was scrapping a referendum on the death penalty and on whether to end the Communist party, a decision likely to anger many of the young revolutionaries who helped to overthrow President Nicolae Ceausescu last month.

Mr Sylviu Brucan, a member of the executive of the ruling National Salvation Front, said the announcement of the referendum last week was a mistake, and "almost panicky" decision made by acting President Ion Iliescu and some of his colleagues when they were faced by an angry crowd.

It would, in any case, be impossible to organise a referendum by the planned date of January 23, Mr Brucan said. Politicians of the Front and other parties acknowledge that embittered Romanians might vote for the death penalty and the banning of the discredited Communist party so soon after the revolution, but they believe that civilised values support their earlier decision to abolish executions and allow all political parties to operate.

Some members of the Front have already been criticised for their links with the former regime and accusations of trying to consolidate their hold on power at the expense of other parties. Mr Brucan, however, did not hesitate to take a hard line against demonstrators. "We were taken by surprise then," he said of last Friday's protest which was a misinterpreted announcement. "We will no longer be taken by surprise, I can assure you."

Bulgarian opposition quits round table talks

ROUND table talks between the opposition and the ruling Bulgarian communist party yesterday broke down after repeated delays by the authorities in providing headquarters for the new political groups.

The Union of Democratic Forces, the umbrella group for the 12 opposition groups said, however, that the authorities had finally given the UDP permission to set up a newspaper although the circulation will be limited to 70,000 copies.

"What use is a newspaper if we have no offices," said Mr Rumun Vodnocharov, a member of the Helsinki Human rights group.

Mr Andrei Lukanov, the number two in the leadership who is representing the party said last Tuesday, when the first round of talks opened, that it would take time for the municipal authorities to find a headquarters for the opposition. All the municipal buildings are owned by the party.

However, Bulgarian journalists yesterday pointed out that if the opposition were more

He pointed to the way in which public demonstrations are controlled by the police in the US and Britain and declared: "Don't ask us to be more democratic than the British and the Americans."

Mr Brucan conceded that the Front was inexperienced and had made mistakes. He explained how Mr Iliescu, Mr Dumitru Masiliu, the vice-president and Mr Petre Roman, the Prime Minister, had accepted the meeting of the NSF council for the hasty concessions. The council voted 108-11 (with four abstentions) in favour of dropping the referendum but ratified a third decree establishing a commission to look into the complaints of citizens.

Mr Iliescu said that although leading members of the former secret services would not be put to death, the guilty would be punished with the most severe penalty available, namely forced labour for life. The Communist party had excluded itself from political life without the need for banning, he said.

Mr Brucan also announced a draft electoral law would soon be published for public discussion and said that all the property and businesses of the Communist party were now the property of the state. The party's economic office, he said, had 60 industrial enterprises which turned over 60bn lei (24.2bn) a year and earned \$220m from exports, while his wife, Elena, had 21 palaces, 41 villas and 20 hunting lodges across the country.

organised, it could simply change a membership fee and rent an office.

The talks, which are expected to resume next Monday coincide with preparations for the Communist party congress which opens on January 30.

It is expected that several of the party leaders in the provinces, many of whom owe their power and privileges to Mr Todor Zhivkov who was ousted in a bloodless coup last November, will be replaced.

Yesterday, BTA, the official Bulgarian newsagency, reported that the authorities were preparing to arrest Mr Zhivkov. The special parliamentary commission set up by Mr Petar Mladenov, the party leader, last week said it had enough evidence to start criminal proceedings against Mr Zhivkov who has not been seen in public since November 16. The charges will include corruption, embezzlement and attempts to assimilate forcibly the country's ethnic Turkish minority.

Azerbaijani refugees blamed for Baku pogrom

By Quentin Peel in Moscow

MASS rural unemployment, miserable urban housing, and an influx of tens of thousands of refugees have all combined to fuel the race riots of recent days in the Soviet republic of Azerbaijan, according to shocked Azerbaijani moderates.

The result has been a dramatic radicalisation of the nationalist Azerbaijan Popular Front in recent months, leading moderate reformers out of the movement, and also leaving the ruling Communist Party without any substantial popular support.

Observers in Baku now expect Mr Abdul-Rahman Vezir, the Communist Party leader, to be removed to Moscow, and predict his replacement by the younger and tougher head of the KGB, Mr Vagif Guseinov. However, they scarcely expect such personnel changes to make any difference to the demise of the ruling party.

Several reports from the Azerbaijani capital Baku, it is feared, up to 80 Armenians have been killed in pogroms since the weekend, point to Azerbaijani refugees from Armenia as the main instigators of the violence. It is estimated that there are about 100,000 such refugees in Baku.

At the same time these numbers have been swollen by an influx of 30,000 Meskhetian Turkish refugees from Uzbekistan, after race riots in that republic last year.

"The city of Baku is now split between the Popular Front, the refugees and very aggressive social activists, and the rest of the population who are not happy with the violence," according to a Baku resident who arrived in Moscow on Wednesday.

"Even the leadership of the Popular Front is no longer in control. It is simply reflecting the force from the grass roots. The Communist

Party is irrelevant."

Apart from the refugees themselves, the Popular Front draws the bulk of its support from rural workers living in communal barracks in Baku, and from the rural proletariat. Almost half the republic's 6.5m people still live on the land, but up to 500,000 are effectively unemployed.

"They cannot find jobs. You have to pay about \$200 (\$230) to get a job," an Azerbaijani journalist said. In the Kazakh region near Baku, unemployment is estimated at 75 per cent, and in Nakhichevan - the border zone where soldiers demolished frontier fences over the New Year holiday - up to 50 per cent.

"They just survive on their vegetable plots. It is easy to involve this class in the fighting," the journalist said.

The refugees from Armenia were also rural workers, although many came to Baku, and have failed to find any work, he added.

The worst areas of fighting, apart from Baku, has been in the hills of north-west Azerbaijan, between the city of Gandzha (formerly Kirovabad) and the disputed enclave of Nagorno-Karabakh.

The fighting began, according to Azerbaijani sources, when the Armenian Communist Party leader in the region of Sharmyan, with a band of supporters, was stopped at a Popular Front roadblock and found to be taking arms to an Armenian village in the neighbouring Khanlar district. The vigilantes detained 19 people.

The Sharmyan Armenians retaliated in an onslaught in which 15 Azerbaijani villagers were killed, according to unconfirmed Azerbaijani sources, and a further 42 taken hostage. From that day the fighting began, reinforced with armed militants from Gandzha, Nagorno-

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OECD says Poland has adopted the right policy

by Ian Davidson, in Paris

WESTERN economic experts at the Paris-based Organisation for Economic Co-operation and Development have returned from three days of talks with the authorities in Warsaw with a broadly favourable view of Poland's economic reform programme.

Mr Salvatore Zecchini, leader of the OECD team, told a press conference yesterday that the purpose of the visit was not to express judgments or endorsements of Poland's economic programme, but to explore difficult policy issues.

Nevertheless the tone of Mr Zecchini's comments implied an approving sense that the Polish economic reform programme was rational and broadly consistent with principles of market economics.

Mr Zecchini described the programme as "ambitious", and said it relied on "a fine balance between macro-economic measures and structural changes." But he emphasised that radical changes in the attitudes of economic agents in Poland could not be transformed overnight.

He compared the Polish economic reform programme favourably with the tendency of some Latin American countries to engage in what he called "heterodox" approaches to stabilisation, including "direct intervention to quench sources of disequilibrium."

This could work in the short run, but it would fall beyond a very short time horizon. "In Poland I see less heterodoxy, more orthodoxy," he said. "The government seems to have a high degree of commitment to structural reform, as the underpinnings of a durable success in macro-economic reforms."

During the three-day seminar in Warsaw, Poland's outstanding foreign debt of \$40bn was little discussed, "since the OECD is not a financial institution," he said.

This discreet avoidance of such a major economic issue, underlines the relative delicacy of the OECD's search for a role in Eastern Europe, alongside the robust political role of the European Community and the financial authority of the IMF.

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Clouds gather over pay talks

By Robert Taylor in Stockholm

TALKS start today between Sweden's Government, employers and union leaders on a national wage agreement and the threat of unofficial strikes and the prospect of punitive action by the government if no deal is reached.

The tripartite summit, to be held at Haga castle, a former royal residence, has been called by Mr Ingvar Carlsson, the Prime Minister, who wants an agreement on voluntary wage restraint to deal with the country's high inflation, large balance of payments deficit, low growth and declining international competitiveness.

Some critics have dubbed the meeting as little more than a "coffee morning". But many see it as a crucial test of the partnership between capital and labour, can still succeed. The talks are widely seen as

the Social Democrats' last chance to arrive at a consensus model for managing the economy.

The outlook for today's talks remain bleak, however. Mr Carlsson wants a deal by February 15 on a wage norm for this year and 1991, which will help to reduce wage-push inflation substantially by the end of next year. If an agreement is not achieved by then his finance minister, Mr Kjell-Olof Feldt, is threatening all manner of punishments such as a 2 per cent additional tax on employers, the postponement of the government's decision to legalise six weeks annual holiday and dropping of other long-cherished social reforms.

Further tax increases on employees. Senior Social Democrats have even said they might call an early general election if the Haga talks fail. Sweden is not due to go to the polls until

September 1991 but the Social Democrats lack a parliamentary majority and rely mainly on the Communists but also from time to time on one of the other larger parties in order to govern. Mr Feldt will find it hard to secure parliamentary approval for an austerity package in such circumstances.

The main problem for the Government, however, lies with the attitude of Sweden's powerful trade unions to any suggestion of pay restraint in the national interest. The blue-collar LO confederation likes the idea of centralised wage bargaining because it strengthens its waning authority on the shopfloor but on the other hand, the LO general secretary, Mr Stig Malm, and other union leaders recognise that there is no mood for wage restraint among the members, many of whom are already threatening industrial disruption to protect their wages.

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AMERICAN NEWS

Airlines called in over publicity for bomb threats

By Roderick Oram in New York

THE US Federal Aviation Administration, disturbed by the increasing willingness of some US airlines to disclose bomb threats to the public, has called representatives of big US carriers to a meeting today in Washington.

A senior FAA official said the regulatory agency was "approaching the meeting with an open mind", but it has previously argued that threats should be handled secretly.

The issue became an emotive one after the bombing of Pan Am flight 103 over Lockerbie, Scotland, in December 1988. A US government warning about a bomb threat to the flight was not made public.

A New York court recently ruled that Pan Am was not liable for punitive damages sought by relatives of flight 103's victims. The Warsaw Convention covering air passengers' rights made no provision for them, Judge Thomas Platt decided.

Airlines remain acutely sensitive to the liability issue, however. In recent weeks Northwest Airlines has made public a threat to one of its Paris-Detroit flights and Delta

Air Lines has said it had received a general threat to its transatlantic flights.

The FAA argues that "99 per cent plus of these threats are hoaxes", the official said. Making them public would "upset people's travel plans just to satisfy some strange urge of the guy who made the phone call".

The agency believes it is better to investigate the threats and take extra safety measures. "They should be left to aviation security professionals," it says.

US airlines receive some 300 threats a year. Mr Samuel Skinner, the US Transportation Secretary, has publicly expressed his unhappiness with making hoaxes public. No rules prevent airlines from disclosing threats.

If the FAA believes after an investigation there is substance to a threat, it issues an alert to the airline and countries involved, as happened in the case of Pan Am 103. It is illegal for individuals or companies to make such official alerts public. American Airlines adds routes; Page 26.

California pollution charges

By Louise Kehoe in San Francisco

A TOTAL OF 15 companies, including subsidiaries of ICI, the UK chemical company, will be charged with polluting the ocean off Los Angeles with pesticides and other dangerous chemicals.

Pollution caused by the practice of dumping the pesticide DDT, and polychlorinated biphenyls (PCBs) is alleged to have caused injury to marine life and sea birds and caused tens of millions of dollars' worth of damage to the environment over the past 40 years.

Companies named by the officials were Benjamin Moore & Company of New York, Simpson Paper of San Francisco, Apex Drums of California, Test Levine Drums of Los Angeles, Montrose Chemical Corporation of California, Chis-Craft Industries of New York, ICI Americas, ICI Inc, Stauffer Management, Stauffer Chemical Company Division of Rhine-Poulenc of Connecticut, Myers Drums of California, Potlatch of San Francisco, Westinghouse Electric of Pennsylvania, ICI American Holdings, and Trans Harbour Services of Long Beach, California.

Charges will be filed within 60 days.

Neighbours curtail tour by Quayle

By Lionel Barber in Washington

THE WHITE House, facing lingering resentment in Latin America over the US invasion of Panama, has been forced to curtail what was meant to be a high-profile diplomatic mission to the region led by Vice-President Dan Quayle.

Mexico and Venezuela let it be known that Mr Quayle's visit, while US troops remained in Panama, could cause more harm than good. However, Mr Quayle will visit Honduras and Panama, two of Washington's most reliable allies, and Jamaica.

This itinerary falls far short of President George Bush's diplomatic plan of January 5, billed as a big effort to mollify Latin American countries and reaffirm US interest in maintaining good relations with its neighbours.

This week, in a separate diplomatic set-

back, the administration said it was postponing plans to deploy a US naval task-force off the coast of Colombia, the Bogotá government having objected. The aircraft-carrier group was part of a US plan to help prevent drug trafficking from Latin America, but premature disclosure led to much domestic protest in Colombia.

Fear of a similar domestic outcry seems to have prompted the Mexican and Venezuelan governments to urge Washington not to press Mr Quayle on them. Even so, he will undertake a previously scheduled trip to Chile and Brazil for mid-March presidential inaugurations. Other stops in Latin America might yet be added.

After the US invasion, US officials insisted that Latin American leaders, had privately conveyed support.



Quayle: Travelling less

Brazilian surplus declines

By John Barham in São Paulo

BRAZIL'S 1989 trade surplus fell sharply to \$16.1bn, from a record \$19.2bn in 1988.

The lower figure, which the Finance Ministry had expected from the start of the year, were due to a 25 per cent increase in imports to \$18.1bn and a negligible 2 per cent rise in exports to \$34.3.

Exporters say competitiveness of Brazilian products declined as the new cruzeiro's devaluations failed to keep pace with inflation. The inflation rate rose to 1,765 per cent last year from 934 per cent in 1988.

The currency, exporters complain, is 25 to 40 per cent overvalued. The government allowed the new cruzeiro's real value to drift up in an attempt to contain inflation.

Mr Namiir Salek, director of Cacex, the government's foreign trade department, said he ordered a reduction in the number of trade licences issued in December so as to counter "speculative" imports. Cacex plans to continue limiting import licences in the first quarter of this year.

Brazil's monthly trade balances declined throughout the year, hitting a low of \$870m in December. Exporters warn that Brazil could soon begin to register monthly trade deficits.

Bush seeks more cash to help S&L rescue

By Peter Riddell, US Editor, in Washington

THE BUSH administration has formally requested Congressional approval for an additional \$40bn to \$100bn so as to finance its working capital needs in handling the rescue of the savings and loan industry.

This is in addition to, and separate from, the permanent finance for the \$50bn rescue approved by law last summer.

The additional money - "within a range of \$40bn to \$100bn over the next several years" - is needed by the Resolution Trust Corporation, the federal agency handling the rescue, as temporary working capital. This is to allow depositors to be paid off now as failed savings and loans bodies are taken over, in that it might take several years for all of the deposited property and land to be sold and the money recouped.

The administration insists that this additional money is nothing but temporary finance and does not affect its earlier estimate that the total losses from bad loans and reorganisation will be \$50bn - a figure regarded by many in Congress as far too low.

In submitting its formal

application, the administration has opened a controversial debate about how the additional money should be raised, in particular about the impact on the official estimates of the budget and the Gramm-Rudman targets for reducing the deficit.

In a letter to the House Ways and Means Committee, Mr William Seldman, Resolution Trust Corporation chairman, outlines three options. These are on-budget borrowing via the Federal Financing Bank (part of the government); borrowing from the Federal Home Loan Banks (the independent system of 12 banks which can raise money by selling their bonds and notes at slightly higher interest rates than the Treasury); and allowing the RTC to raise money from private institutional investors by packaging for private placement the brokered deposits currently issued by insolvent thrifts. The last is the most expensive option.

Mr Seldman says the three approaches are "not mutually exclusive." The RTC expects to finalise working capital plans by the middle of next month.

Europeans accused of Rorer deal knowledge

By Alan Friedman in New York

THE MYSTERY about which chemicals company is on the verge of buying 68 per cent of Rorer, the US drugs company, took a new turn yesterday as the Securities and Exchange Commission accused four European defendants of having advance knowledge of the Rorer transaction and having earned nearly \$6m from insider trading in the company's stock.

The SEC also revealed that the company about to buy into Rorer is Europe-based and began its negotiations in early December. Market rumour have suggested this week that the buyer is either a Swiss firm, such as Ciba Geigy, or Rhône-Poulenc, the French chemicals concern. Both companies declined to comment. The SEC lawsuit, filed on Wednesday in US District Court in Manhattan, alleges that four investors - Fundación Hall of Monte Carlo, Holding Protection of Athens, United Sal of Beirut and Mr Robert Rosat of Geneva - learned about the Rorer negotiations and engaged in insider trading of Rorer stock between January 4 and Monday, when the deal was partly disclosed by Rorer. The SEC said yesterday that other defendants, so far unnamed, are also involved.

On Monday, Rorer said the acquisition price per share for an initial 68 per cent of its common stock would amount to about \$73 in cash and paper. This sent Rorer's share price up by an immediate 25 per cent, to \$92. The share price yesterday morning was down by 5% at \$87.

The SEC says the alleged insider dealing involved the buying of call options which enable the investor to acquire Rorer stock at a specified price within a certain period. Last Friday on the New York Stock Exchange, trading in Rorer stock was unusually heavy. Some sales of Rorer stock took place this week after the announcement of negotiations on Monday. An injunction freezing Rorer-related assets and financial proceeds at brokerage houses and banks involved in executing orders

was granted to the SEC. The SEC lawsuit names five US securities houses and five Swiss banks as also having been involved in the trading, although none is accused of wrongdoing. The US firms named are Prudential-Bache, Merrill Lynch, Paine Webber, Oppenheimer and Dean Witter Reynolds. All of these are believed to be co-operating with US regulatory authorities.

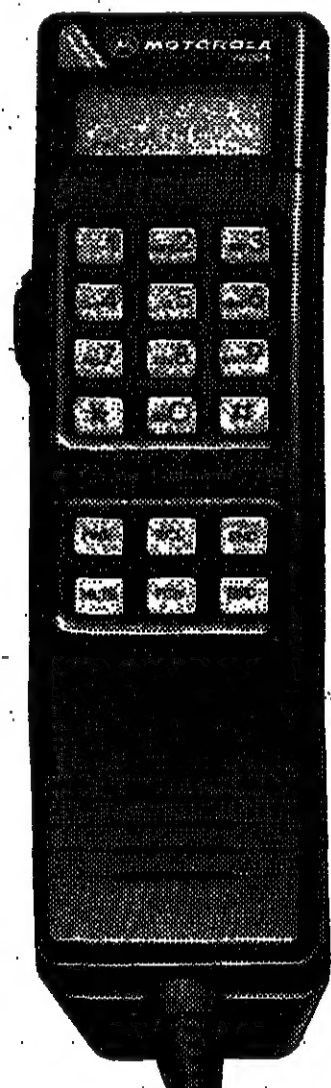
The Swiss banks named are Banque Scandinave en Suisse, in Geneva; Banque Vaudoise de Crédit in Lausanne; Cambio Valorebank in Zurich; Compagnie Financière "Espirito Santo" in Lausanne; and Discount Bank Ltd, in Geneva.

Banque Vaudoise, a commercial bank, denied any wrongdoing, and said last night it had undertaken "a considerable number of small transactions" in Rorer stock, and that these deals were made "purely by fluke". None of the other Swiss banks could be reached for comment.

The golden parachute - a popular anti-takeover practice by which US corporations agree to pay substantial bonuses to executives if they are sacked because of a takeover - may be in jeopardy following a ruling by the SEC. The ruling concerns a parachute proposal at Transamerica, the insurance company, but it implies a general shift in policy suggesting that the boards of companies may no longer treat parachute strategies as ordinary business and must hold a vote on such plans if a proposal is made by shareholders.

This is a potentially significant reversal of SEC policy, which has traditionally allowed companies to keep such votes off proxy ballots. The SEC attributed the Transamerica ruling to its concerns over the tax and legal implications of golden parachutes.

While Transamerica is clearly upset at the ruling, the immediate impact of the decision may well be felt at up to half a dozen big US corporations in the next few weeks. The ruling places a question mark over the practice.



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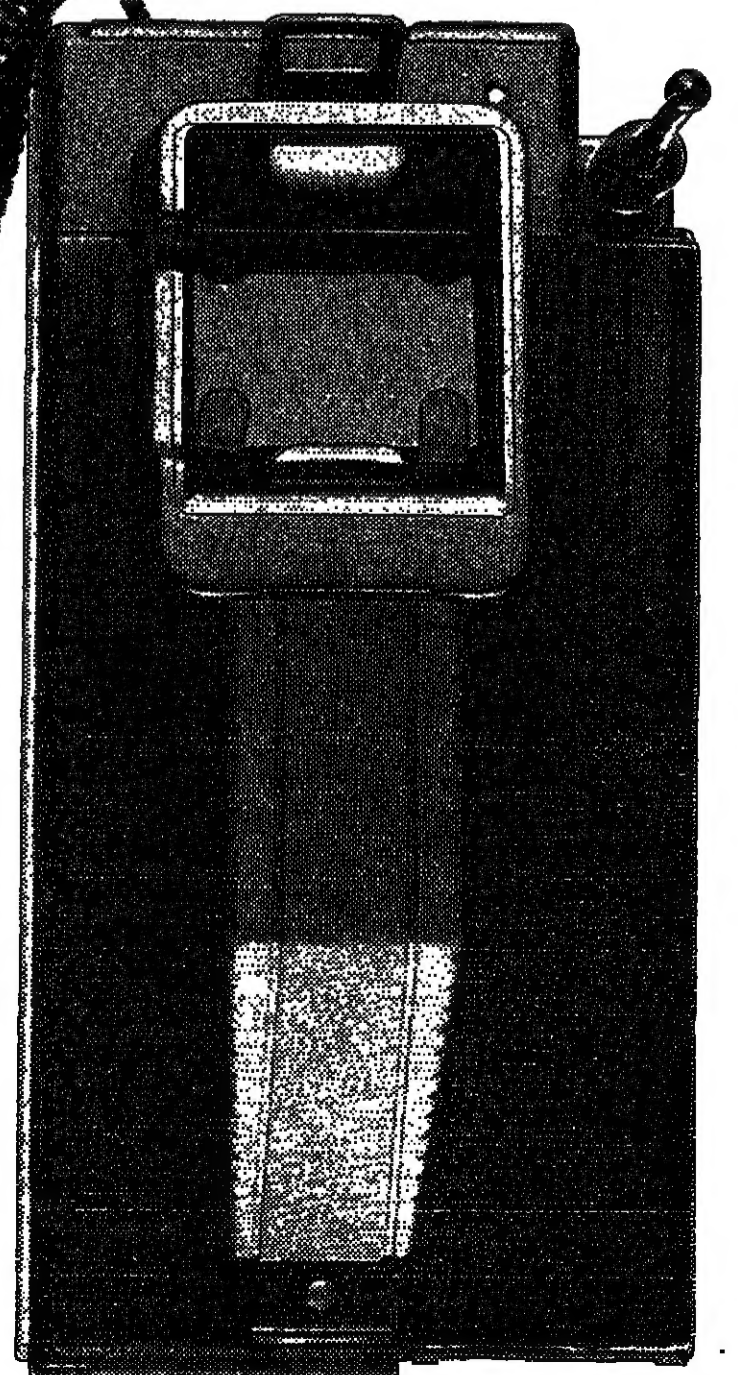
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OVERSEAS NEWS

Hint of aid cuts puts US-Israel ties under strain

By Lionel Barber in Washington and Hugh Carnegie in Jerusalem

MR James Baker, US Secretary of State, yesterday held Middle East peace talks with Mr Yitzhak Rabin, Israel's Defence Minister, amid signs of strain over suggestions that the US should consider cutting its \$300 million military and economic aid.

After an hour-long meeting at the State Department, Mr Rabin said he did not foresee any reductions in US aid over the next two years, but he expressed concern beyond 1991. "We believe we deserve the continuation of the level of support that we get," he told reporters.

Mr Yitzhak Shamir, the Israeli Prime Minister, responded to suggestions of a cut in aid by saying the country needed more assistance, not less, because of the burden it faces in absorbing a big wave of immigration by Soviet Jews.

While Israeli military chiefs and political leaders expressed their customary concern that the scale of arms build-ups in neighbouring Arab countries meant there should be no reduction in US military aid, the extent of the immigration flow has raised new alarm that a cut in economic assistance would be a severe blow. About \$1.2bn of the \$300 million received a year by Israel is in the form of economic grant.

The Government is already seeking additional US Government guarantees for \$400m it plans to raise in the US to augment a huge spending programme planned to cover the cost of absorbing Soviet immigrants, now expected to number 250,000 over the next three years. The extra spending will add new strains to an already stretched budget, threatening large fiscal deficits.

The controversy over US aid to Israel was ignited this week by this week by Senator Robert Dole, the Senate Republican leader. He suggested cutting US aid to the five main benefi-

Mr Yassir Arafat has threatened to resign as chairman of the Palestine Liberation Organisation if stalled US-brokered Middle East peace efforts fail. AP-DJ reports from Cairo. "I have told the Arab League this week that if current peace efforts reach a dead end and do not solve our problems, I will call a meeting of the Palestine National Council that elected me," Mr Arafat said. "I will tell them: 'I am hereby returning the mandate you gave me. I am for myself, and the US also should be for itself.' I will immediately announce my resignation."

claries - Israel, Egypt, Pakistan, the Philippines, and Turkey - in order to redirect funds to emerging democracies in Eastern Europe and Panama.

At the same time, officials confirmed that the US embassy sent a cable to Washington a month ago which concluded that on strict economic grounds, the US could cut its aid bill to Israel. The study, however, acknowledged that such a political decision could only come from Washington which would face strong resistance from the Israelis.

The administration cautiously embraced the Dole proposal, but at the cost of clouding prospects for progress in the Middle East peace talks. This week, both Mr Rabin and the Egyptian Foreign Minister, are in Washington trying to narrow differences over proposed negotiations between Israel and Palestinian delegations. Mr Shimon Peres, the Israeli Foreign Minister, has been invited by the Egyptian Government to pay a visit to Cairo on Wednesday. He is expected to meet President Mubarak and Mr Abdel-Meguid.

Soviet jets leave Cam Ranh Bay

THE Soviet Union announced yesterday it had withdrawn a number of its military aircraft from the Cam Ranh Bay base in Vietnam as part of overall cuts in its armed forces. Reuters reports from Moscow.

Mr Vadim Perilyev, a Foreign Ministry spokesman, told a news briefing that MIG-23 fighters and Tu-16 bombers had been pulled out of Cam Ranh, a US base during the Vietnam War, at the end of last year. He did not put a figure on the number of planes withdrawn but said a small unit of six to 10 aircraft was being maintained there.

The spokesman said the measure had been taken as part of the switch to a "defensively oriented" Soviet military posture in the Asian-Pacific region. The withdrawal, made with the agreement of the Vietnamese government, was also linked to Moscow's declared programme of reducing force strengths in the eastern part of the Soviet Union itself, he added.

"The Soviet Union hopes that these measures will serve the cause of lowering political and military tensions and of strengthening the climate of mutual trust in the Asian-Pacific region," Mr Perilyev said.

Peking frees pro-democracy demonstrators

By Colina MacDougall

NEARLY 600 protesters jailed for joining the pro-democracy movement last June have been released, according to China's Ministry of Public Security reported yesterday by the official news agency.

This move, which follows last week's ending of the eight-month martial law, is probably designed to allay foreign disapproval of the Government's massacre of unarmed demonstrators in Peking last June, which caused suspension of much-needed loans.

In particular, the Chinese are trying to impress the US with their moderation so that Washington will permit World Bank lending to resume. About \$750m worth of World Bank loans were suspended last summer, and the White House has already indicated it would now consider permitting a resumption.

The ministry said the prisoners were freed because they had repented and called on other offenders to do likewise. Many thousands were arrested last summer and more than 800 have been sentenced, some to long prison terms. Hundreds are believed to have been executed after the protests.



Motoshima: out of danger

Shooting of Nagasaki mayor shocks Japan

By Ian Rodger in Tokyo

JAPANESE society was badly shaken yesterday afternoon when an as yet unknown gunman shot and injured Mr Hiroshi Motoshima, the controversial mayor of Nagasaki, and fled.

Mr Motoshima, who is 67, is out of danger and recovering in a Nagasaki hospital from a bullet wound in his upper left side. The mayor upset many Japanese in December 1988 when he declared to the Nagasaki city assembly that Emperor Hirohito, then dying of cancer, bore some responsibility for Japan's conduct in the Second World War. Hirohito's role in the war remains controversial and so most Japanese prefer not to discuss it.

Right-wing groups, some of which are fervent defenders of the imperial system, were outraged by Mr Motoshima's statement and immediately began a campaign of harassment against him.

This action included threatening him with a knife, firing shots at city hall and sending letters containing bullets.

Police in Nagasaki said yesterday that the car in which the gunman escaped had been reported last Thursday by a man known to be associated with a

right-wing group in the city. Following Mr Motoshima's 1988 statement, police mounted a 24-hour guard around him, but it was removed last month at his request.

According to eye-witnesses, his attacker yesterday stood only five feet behind him as he emerged from his office. After firing a single shot from a pistol, the assailant made his escape in a car.

Mr Mayumi Moriyama, the chief cabinet secretary, speaking at a press conference in Tokyo, condemned the shooting and said it would have an immense impact on society.

Other leaders emphasised that resorting to violence in a democratic society was intolerable.

Mr Tsuruo Yamauchi, secretary-general of the Japan Socialist Party, who was himself roughed up by right-wing activists while making a speech last year, said people had to learn to fight words, only with words.

Mr Kenzo Harada, a prominent publisher said: "Although only the mayor was shot, the bullet was aimed at the entire nation."

Although Japan is a remarkably peaceful and orderly society, yesterday's incident is not

that surprising. Extreme right-wing groups have been intimidating socialist leaders and intellectuals for decades, and have enjoyed some measure of protection from the consequences of their acts because of close contacts with some influential conservative politicians.

Another reason why these groups have been able to maintain their relatively wide freedom of action is that they have tended to distance themselves from anyone who commits an act so outrageous that it arouses the anger of the general public.

Currency strength lifts NZ interest rate hopes

By Our Foreign Staff

NEW ZEALAND interest rates should fall if the domestic dollar continues to strengthen, Mr Don Brash, Governor of the Reserve Bank, said yesterday. It is not clear whether rates would move before a Government reshuffle due later this month.

Mr Geoffrey Palmer, the Prime Minister, is preparing his cabinet changes in what could be the Labour Government's last chance to revive popularity and shed a lame-duck image before elections later this year.

He desperately needs new blood. Mr Michael Bassett, the Internal Affairs Minister, this week became the sixth cabinet member to announce he would not stand in the next election.

This means almost one-third of his 19-strong cabinet is heading for retirement, including Mr Russell Marshall, the Foreign Minister, and Mr Bob Tizard, the Defence Minister.

Mr David Caygill, the Finance Minister, is expected to retain his portfolio in the reshuffle. He is inextricably linked with Labour's determination to cut inflation below 2 per cent by the end of 1992.

An encouraging 1.2 per cent inflation rate for the three months to December - keeping the year on year rise in inflation unchanged at 7.3 per cent since September - has together with the strength of the dollar been responsible for speculation that short-term interest rates might be about to ease.

The New Zealand dollar reached an eight-month high against the currencies of its five main trading partners yesterday at 63.8 on the trade weighted index, against 61.3 a month earlier. It closed at 61.5 US cents compared with 59.5 a month ago.

Key 90-day bank bill rates have fallen to 13.87 from 14.11 about two weeks ago. This has been helped by banks considering lifting home mortgage rates, as the 90-day market is an important source of money for mortgage lending.

The Government has promised that home mortgage rates will fall from their present average of about 15 per cent to between 7 and 10 per cent within three years.

Under a new Reserve Bank Act to be effected next month, the central bank's sole task will be fighting inflation. But critics of the new legislation say the goal of zero to 2 per cent is too ambitious because it is well below that of New Zealand's main trading partners.

Mr Brash has a special interest in seeing that the zero to 2 per cent inflation target is met. Under the new Reserve Bank Act, he could be dismissed if it is not.

The shadow of caste comes back to haunt V.P. Singh

CASTE has dominated Indian politics even before the country became independent in 1947 and its spectre is now haunting the new National Front Government led by Mr V.P. Singh, the Prime Minister.

The Government faces violent agitation against the policy of reservation of jobs for lower castes launched by students and others in many north Indian states, including the politically significant Uttar Pradesh, Bihar and Madhya Pradesh in the Hindi heartland. The agitation is spreading even to south India and has come just as preparations get under way for elections to eight state assemblies on February 27.

Since the Janata Dal led by Mr Singh has wide support from the lower castes of Hindus, students and others fear the policy of reservations will be extended, thereby adversely affecting their employment prospects.

Mr Singh declared soon after he took office that until the lower castes were able to improve their economic conditions, the policy of reservations would continue. "This was in response to student agitation on the issue, which highlighted once again the crucial importance of caste in India's socio-political structure. Indians are born into a caste, recognisable by a caste name. All official documents require Indians to enter their caste name."

There are four main castes, but thousands of sub-castes within them. The lower castes, or sub-castes of the lowest main caste known collectively as the Untouchables, have become known as scheduled castes or tribes.

Members of upper castes argue that the criteria for job reservations should not be caste but economic backwardness or poverty. This is based on the reasoning that millions of members of the upper castes are also poor and need the same incentives hitherto given only to the lower castes. Their

K.K. Sharma reports on an issue which has ruled Indian politics since before independence

main fear is that the policy of reservations will be extended by implementing the report of a commission appointed a decade ago by the first Janata Party government, led by Mr Morarji Desai.

This commission identified nearly 4,000 backward castes, or double the number mentioned in an earlier commission's report appointed in the 1950s by Jawaharlal Nehru, India's first Prime Minister.

The commission's main recommendation is that 27 per cent of government jobs and seats in government educational institutions must be set apart for 3,743 backward castes it has identified. Scheduled castes and tribes already have 25 per cent of these jobs and seats reserved for them.

Recommending that the 3,743 groups should have a quantum of reservations on the same basis as the constitutionally recognised scheduled castes and tribes, the commission says the two categories can together claim 53 per cent of jobs and seats in educational institutions through reservations. It has also recommended that the private sector should be made to follow the example of the Government.

The explosive report has never been acted on and was placed in cold storage both by Indira Gandhi and her son, Mr Rajiv Gandhi. They were only too aware of the repercussions of giving employment benefits to the millions who claim to be disadvantaged on the basis of India's complex caste structure.

Yet those who demand continuation and extension of job reservation rightly point out that members of the 4,000 odd scheduled castes and tribes - formed by various groups of

harians, former untouchables, and their like - and other backward castes identified by the commission remain impoverished and neglected.

Official statistics show that the literacy levels of these castes remain under 15 per cent, compared to 37 per cent for the population as a whole. Even more appalling is their level of poverty.

Nearly 80 per cent of the scheduled castes remain trapped below the poverty line, and so do not have enough to eat, compared with between 40 and 50 per cent for the country.

Supporters of the reservations policy point out that at the current rate of improvement of the economic conditions of the scheduled castes, it will take the entire 21st century to wipe out the percentage of the population below the poverty line. It will take even longer to bridge the gap between the scheduled castes and the general population so that a homogeneous Indian society in economic terms can emerge.

Opponents of the reservations policy say giving effect to the commission's report will entrench caste as the main principle of social and economic organisation, and thus ensure that not only will caste warfare continue, but also that merit as a basis for employment will be eliminated.

The present Government is committed to the policy of continuing reservations, even though some of its members have called for its revision, and for fixing job quotas on the basis of economic criteria, rather than caste.

But any further decision on extending the reservations or acting on the commission's recommendations can be expected to be delayed because of its political implications at a time when growing unemployment is adding to social tensions created by complicated religious, economic and political factors.

Papua New Guinea hit by shutdown of another key mine

By Chris Sherwell in Sydney

PAPUA New Guinea's economic and political woes deepened yesterday when protesting landowners caused a shutdown at the Australian-operated Ok Tedi copper and gold mine near the mountainous Indonesian border.

The mine is the second most important after the Bougainville copper and gold operation at the other end of the country, which has already been closed as the result of a campaign of sabotage and killing by secessionist rebels.

It also coincides with sensitive high-level discussions on aid and trade between the Port Moresby Government, headed by Mr Rabbie Namaliu, the Prime Minister, and four Australian ministers led by Senator Gareth Evans, the Foreign Minister.

The Ok Tedi operation was halted by a group of militant local landowners who blocked a public road used to take morning shiftworkers to the pit. As a result work at the vast open-cut mine and its mill stop. Mr Fubian could not continue after the night shift. Power was also stopped temporarily.

The landowners' action, which was peaceful and resulted in no destruction of property, is said to reflect increasing frustration over a protracted dispute with the Government about a share-out of royalties from the mine, and in particular compensation for use of the road.

A government delegation is travelling to the town of Tabubil today to discuss the issues, and mine officials expect the closure to be a short-term affair. But this is not the first time Ok Tedi's operations have been disrupted.

In 1988 there were three strikes, the last of which flared into violence. The mine has also suffered a number of natural disasters. The implications for the economy of any prolonged shutdown at Ok Tedi



Namaliu: Talks with Australia

are particularly serious at the moment because of the Bougainville closure.

In addition, the contracting economy has been hit by weak coffee, cocoa and copra prices. To counter the overall impact, the Government last week devalued the kina, cut public spending and introduced credit controls and wage curbs.

It is also seeking a stand-by facility from the International Monetary Fund and a structural adjustment loan from the World Bank, and is hoping for increased financial assistance from Australia, its biggest aid donor. On this, yesterday's ministerial meeting promised no quick decision.

There is no indication that the Ok Tedi dispute is in any way related to the Bougainville rebellion, even though the source of both lies in grievances over landowner compensation. Nor is there any sign at this stage that a peaceful resolution cannot be achieved.

Ok Tedi is operated by Broken Hill Proprietary, Australia's largest copper producer, which has a 30 per cent stake. Amoco has another 30 per cent, a West German consortium which includes Degussa and Metallgesellschaft has 20 per cent and the Papua New Guinea Government 20 per cent.

Coalition's policies hinge on its showing in state polls

By David Housego in New Delhi

INDIA'S election marathon gets under way again next month with the announcement yesterday that polling will take place on February 27 for elections to eight state assemblies, covering 230m people, or more than a quarter of India's population.

The elections are a critical landmark in Prime Minister V.P. Singh's administration, offering him the chance of overthrowing Congress state governments in the north, east and west of India and of broadening his government at the centre. Likewise a major reversal

from Congress control. Whether it succeeds in doing so will largely depend on whether the Janata Dal and the Hindu militant BJP can again work out seat-sharing arrangements.

It was their success in reaching agreements to field sole candidates against Congress that was an important factor in their November general election victory.

Among the factors working in favour of Mr Singh repeating his performance is that his government has defied the worst prognostications at the

time that it would fall apart because of its internal divisions, and has instead put up what is generally considered a creditable performance.

But Mr Singh's Cabinet faces several difficult tests before polling - not least its handling of the current violence in Kashmir and the threat of renewed tensions between Hindus and Muslims over the disputed temple at Ayodhya in north India. Mr Singh has, however, benefited from quarrels within the Congress party, with Mr Gandhi having difficulty in asserting his authority

over the party bosses who run the states. Many believe that the Congress could split if it does badly.

On the outcome of the elections will depend Mr Singh's decisions on how to broaden the base of his government. He has the choice of seeking to draw in members of the BJP party and the Marxists, or of attempting to woo defectors from the Congress.

The state elections are also important in that once this hurdle has been crossed Mr Singh will have more leeway to define his economic policy.

Morocco's royal paraphernalia line the road to a modern economy

The Arab world's oldest monarchy is making real progress away from feudal forms of ownership and organisation, writes Francis Ghiles

APPEARANCES can be deceptive. The pomp and circumstance which surround King Hassan of Morocco remain as elaborate as ever for a dynasty that has ruled the most Western of Moslem countries for more than three centuries.

Yet, for all the appearances - and, in a number of important respects, the reality - of a feudal kingdom, a new generation of younger Moroccans is slowly moving into positions of influence. The recently-appointed governor of the central bank, Mr Mohamed El-Sekkat, is symbolic of an increasingly powerful group of people who comprise senior civil servants, private businessmen and a score of people in the professions.

Mr Moulay Zine Zahidi, the minister in charge of privatisation, knows that the monarch's plans to privatise 113 state companies, including four banks, will succeed only if the wealthy elite represent can spread beyond the few dozen families, including the King's, which today control the bulk of Morocco's industrial, financial and agricultural holdings.

Morocco can thank the International Monetary Fund and



Arab Economic Restructuring

the World Bank for the implementation of reforms which, since 1983, are slowly bringing the country's foreign trade rules, state monopolies and agriculture into the second half of the 20th century.

The state budget deficit has been cut from 12 per cent of gross domestic product seven years ago to an estimated 4.5 per cent in 1989, while outstanding state domestic arrears have been reduced from 4.5bn dirham (\$368m) to Dh2.7bn. State subsidies for staple foods have fallen by nearly half to Dh1.27bn.

Increases in public utility tariffs such as water have been

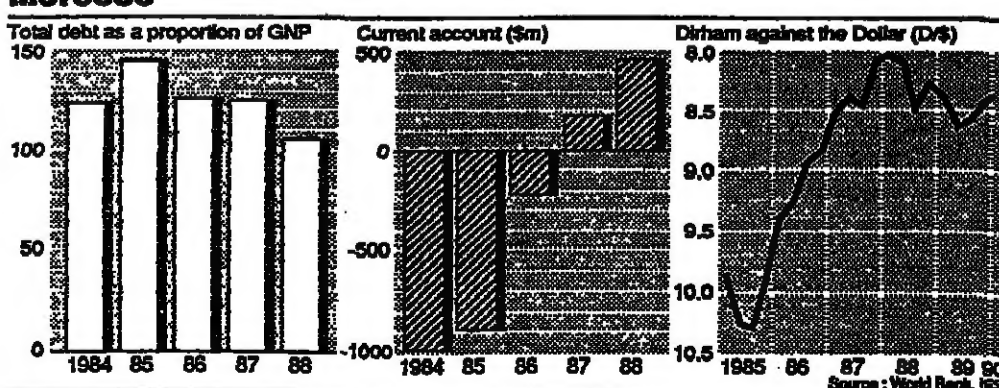
running at between 10 and 20 per cent annually, thus allowing the Office Nationale de l'Eau Potable to increase investment from zero between 1977-1981 to Dh1bn last year, 40 per cent of which is financed from its own funds. Other state offices such as that managing the ports have been completely overhauled.

The volume of trade in current terms has increased from Dh25.5bn to an estimated Dh44bn, though this figure is less significant than it may appear as many exports remain dependent on imported inputs, notably in the textile, leather, phosphoric acid and fertiliser sectors.

The Kingdom today exports a far broader range of goods - clothes, processed fruit, vegetables and fish as well as downstream products produced from phosphate rock (phosphoric acid and fertilisers) - than at the time of the first IMF standby credit which was offered to Morocco in the autumn of 1980.

Equally important is the liberalisation of foreign trade. Less than 10 per cent of imports today require licences compared with 70 per cent in 1983, while most foreign

Morocco



exchange controls have been eliminated. Two years ago Morocco joined the General Agreement on Tariffs and Trade.

The net result of all these reforms is the encouragement it is providing to foreign companies to set up shop in Morocco. Albion and Coates of the UK have recently joined Courtaulds which is expanding its capacity in Morocco. Trust House Forte has recently joined Sheraton, Hyatt and Holiday Inn, private United Arab Emirates interests have bought hotels. Net private for-

eign investment in current terms, has doubled to Dh1.65bn in the last five years and looks set to continue on this upward trend.

Evidence is thus plentiful to suggest that the oldest monarchy in the Arab world is making real progress as it restructures its economy. Since 1980 it has received considerable financial backing from the IMF, the World Bank (which commits \$800m-500m worth of new loans every year), France, Spain and Saudi Arabia (though help from the latter has tended to go towards pur-

chasing weapons for the conflict in the Western Sahara).

Morocco's economic strengths include possession of the world's richest phosphate reserves, a large though insufficiently skilled workforce willing to work for wages about one-fifth those of their European counterparts, a tourist sector which earns \$1bn annually, rich fishing grounds off the Atlantic coast and a farming sector which is far more developed than those of most Middle Eastern and African countries.

Despite these natural riches

and the efforts at reform made since 1983 the performance of the economy remains dependent on crude oil and phosphate prices, interest rates and the level of rainfall. Thus the exceptionally good performance of 1988, which saw gross domestic product grow by 10.4 per cent was not repeated last year when the increase was a more modest 5 per cent, about twice the rate of population growth.

The sluggish growth of manufactured exports, sales of clothes and textiles abroad declined, remain too dependent on the French market while a trade dispute with India, Morocco's largest phosphoric acid client, cost Morocco between \$250m-300m and helped push up the trade deficit from the 1988 figure of \$1.1bn to at least \$1.6bn.

Foreign reserves reached their best level in a decade a year ago and do not appear to have undergone any big change. Workers' remittances and tourist receipts are earning the country about Dh20bn a year.

Morocco is thus not yet on the road to self-sustaining growth. Five weaknesses stand out:

- A high rate of population growth, though the birth rate has declined to 2.7 per cent a year, with two thirds of the new entrants into the labour market every year unable to find a job.

- A bloated and inefficient public sector.

- The need for further efforts to increase the revenue of the state, the bulk of which is drawn from indirect taxation or the taxing of the salaried classes.

- The difficulty of access to land for industrial use, especially in Casablanca, the country's economic capital.

- A heavy burden of foreign debt estimated at \$21bn. Western governments, which hold the bulk of the debt, agreed in October 1988 for the fourth time to reschedule Morocco's pre-1983 debts on favourable terms. But renewed balance of payments difficulties suggest the government will have to seek further rescheduling.

Morocco's economic performance in 1988 witnessed growth rates far in excess of those of other heavily-indebted countries, but much needs to be done before its new confidence does not amount to over-confidence.

cks Japan

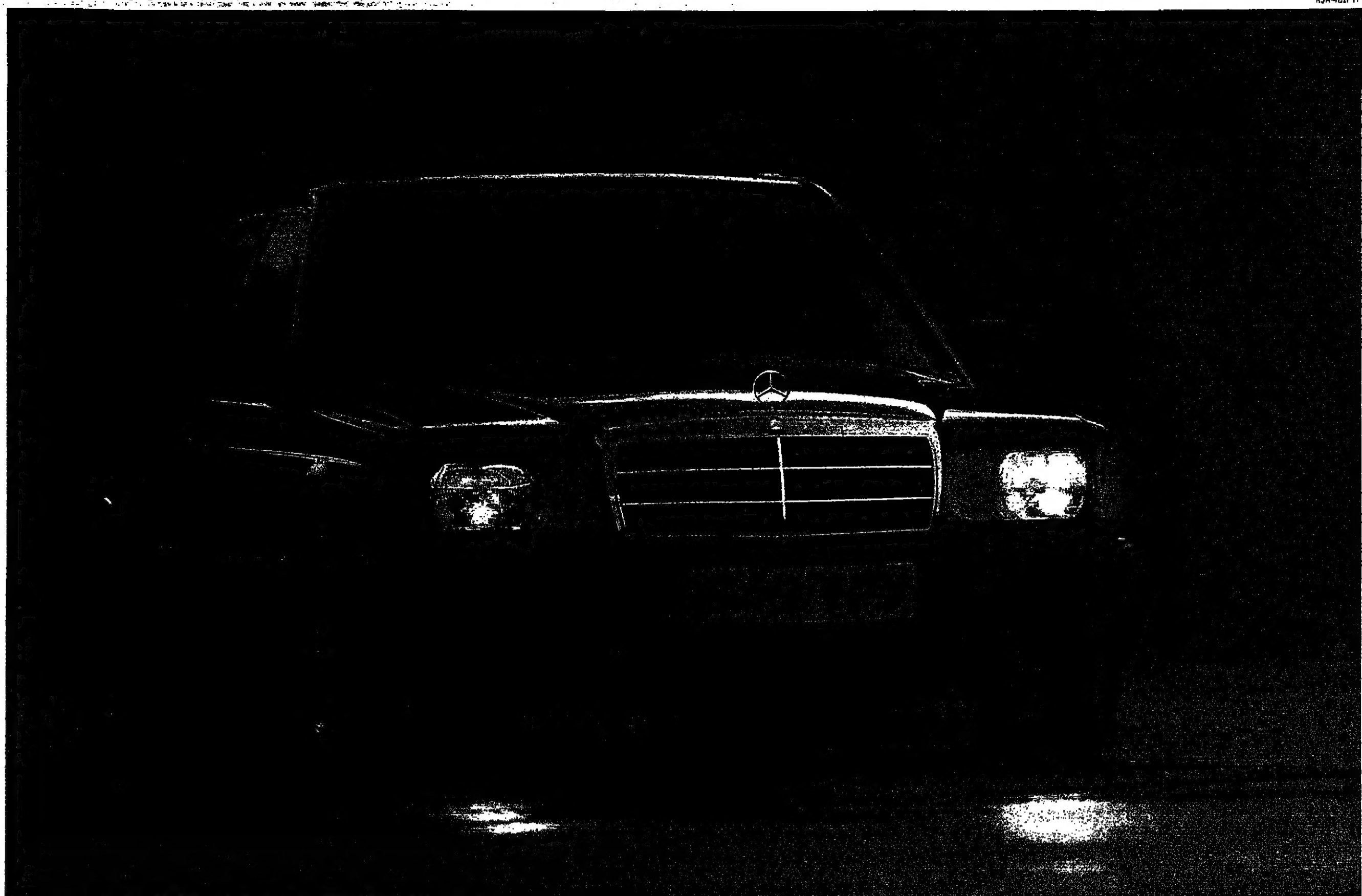
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No design improvement was ever introduced to any Mercedes-Benz model that didn't appeal at least as much to the head as the heart. Thus Sportline is engineered for those whose driving style demands an extra margin of handling finesse.

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WORLD TRADE NEWS

CONSORTIA EXPECT £450m IN ORDERS FOR EUROPEAN FIGHTER AIRCRAFT Smiths Industries wins EFA deals

By David White, Defence Correspondent

ORDERS worth £450m are expected to flow from development contracts won by Smiths Industries of the UK, in collaboration with European partners, for avionics to equip the planned European Fighter Aircraft (EFA).

The British company yesterday announced a series of development contracts, amounting to £45m, awarded to consortia in which it has a leading role.

The biggest of these is for multi-function display screens which, in sets of three, will replace the traditional instruments for flight and navigation data. Smiths, heading a team including the West German

VDO group, Aeritalia-GST of Italy and Inseel of Spain, won this contract against its UK rival, Ferranti International.

Other deals include digital control units for the EJ200 engine being developed for the aircraft.

Under the work-share arrangements in place for big EFA contracts, the direct value to Smiths is expected to be at least a third of the total. The company said it expected further contracts, worth eventually another £30m, to be signed in the next few days.

British Aerospace, the UK partner in the Munich-based Eurofighter company, has overall responsibility for the

avionics under the £5.5bn development programme.

Production of the 765 aircraft planned by the four countries would bring the total value of the project to about £22bn.

According to Eurofighter, about two thirds of the sub-contractors, expected to number more than 270, have already been selected.

But some key elements remain to be decided, including the electronic warfare system and, above all, the radar, the subject of disagreement between the two main participating governments, the UK and West Germany.

The two countries' defence ministers, Mr Tom King and

Mr Gerhard Stoltenberg, are expected to discuss next week the possibility of a "split procurement" whereby the UK and possibly Italy would develop a Ferranti-led radar, while West Germany and possibly Spain would back a version of a US Hughes radar, through a consortium headed by the Daimler-Benz subsidiary Telefunken System Technik.

Government estimates are thought to put the extra cost of this solution to the UK and West Germany at about £200m each. The need to develop other sub-systems separately as a result of having different radars would add to this cost.

Analysis, Page 19

Crackdown on Japanese clothing manufacturer

By Robert Thomson in Tokyo

OFFICERS of Japan's Fair Trade Commission (FTC), the anti-monopoly body, yesterday raided the headquarters and affiliated companies of Gunze, a leading clothes maker, after allegations that the company punished retailers who offered discounts on its underwear products.

The raid is one of several organised in recent weeks by the commission, and follows pressure from the US Government for Japan to crack down on monopolies, which Washington says have restricted the access of foreign goods to the Japanese market.

A senior commission official said the raid on the Osaka headquarters of Gunze and 19 related offices followed claims that the company had ordered a retailer to end a 20 per cent discount offer on men's underwear and then stopped supplying its products.

Gunze said: "We are confident that we are not guilty and await the outcome of the investigation."

The company said it could not stop wholesalers from supplying retailers, and had encouraged discount houses to sell more of its products.

Joint ventures with East Europe pass 3,300 in 1989

By Anthony McCormick

THE NUMBER of joint ventures registered in the European countries of Comecon and Yugoslavia soared to 3,345 by the end of 1989, according to figures compiled by the Geneva-based UN Economic Commission for Europe (ECE), which monitors East-West trade.

This preliminary assessment by ECE confirms trends recorded in its newsletter, East-West Joint Venture News, for the first 9½ months of 1989. In those Comecon countries alone (Soviet Union, Hungary, Poland, Czechoslovakia, Bulgaria and Romania) foreign investment registrations were reckoned to have reached 2,000 by mid-October compared with 165 at the beginning of 1988 and 1,375 at the end of June 1989.

At the same time, about 1,000 joint ventures were registered in the Soviet Union, compared with 23 at the beginning of 1988 and 700 in June. In Hungary, the rise was from 102 at the start of 1988 to 600 in mid-October. The growth rate was even higher in Poland, where in the 21-month period the number of foreign investments surged from 13 to 400.

Growth in registrations in Czechoslovakia was less spectacular from seven to 50, Bulgaria registered an increase from 15 to 35. No new joint

Minolta Camera's subsidiary in Austria has established a joint-venture company in the Soviet Union for marketing cameras and other Minolta products, Minolta said yesterday, AP-DJ reports from Tokyo.

This is the first joint venture between Japanese and Soviet companies dealing with business machines.

Minolta said the new company, Minolta Trading Ukraine - 33 per cent owned by Minolta - had been set up in Kiev together with Ukraine's foreign trade corporation, Ukrinval-justorg, which operates 21 dollar shops in eight cities.

ventures were registered in Romania.

A weakness of ECE's assessments is that its statistical material is based on reports received from institutions in Eastern Europe. This can often lead to an over-optimistic picture of the size of investments, capitalisation, numbers employed and joint ventures actually in operation.

In the ECE survey of the Soviet Union, where the first decree legalising joint ventures was issued in January 1987, 925 had been registered by end of 88, the US 86 and further down the list, Japan 18. In terms of foreign capital contribution, the EC provided 38.3 per cent, EFTA 19.8 per cent, planned economies 11.2, the US 11.5 and Japan 3.1 per cent.

Manufacturing (with the accent on the production of office equipment and computers) accounted for 43.3 per cent of the joint ventures and 60.1 per cent of the foreign capital.

Over this period, the average size of statutory capital per venture fell from 6.9m in 1987 to 2.2m during the first nine months of 1989. The average foreign contribution fell from \$1.9m in 1987 to \$2.5m in 1988 and to \$1.5m at end-September 1989. The foreign share rose to 43.3 per cent in those

registered in 1989 compared with 34.9 per cent in 1987.

After the law was relaxed in December 1988 to allow foreign partners to hold majority shares, 65 companies were registered in which foreign partners could hold more than 50 per cent of the statutory capital. In 19 joint ventures foreign participation is more than 60 per cent, and in six others more than 70 per cent.

Of the 925 ventures, the EC provided 327 partners, European Free Trade Association (EFTA) 247, planned economies 247, the US 86 and further down the list, Japan 18. In terms of foreign capital contribution, the EC provided 38.3 per cent, EFTA 19.8 per cent, planned economies 11.2, the US 11.5 and Japan 3.1 per cent.

Manufacturing (with the accent on the production of office equipment and computers) accounted for 43.3 per cent of the joint ventures and 60.1 per cent of the foreign capital, while business services took 22.5 per cent (but only 7.6 per cent of the capital), hotels and restaurants 7 per cent (3.5 per cent) and trade 4.6 per cent (3.2), and construction 3.3 per cent (3.5).

Gatt warned over curbs on import surges

By Peter Montagnon, World Trade Editor

THE GENERAL Agreement on Tariffs and Trade should resist pressure to allow its members to erect selective barriers against sudden surges of imports, a senior Gatt official said in London yesterday.

Such a rule change, for which the European Community and some other industrial nations have been pushing, would make it too easy for protectionism to spread, said Mr Charles Carls, Gatt's deputy director-general.

His remarks, to a conference organised by the Royal Institute for International Affairs, were outspoken for a top Gatt official.

cial and touch the heart of a serious controversy within the Uruguay Round of multilateral trade negotiations. Under Gatt's safeguard rules, barriers may be erected against sudden surges in imports but only on a non-discriminatory basis.

The EC has taken the lead in pressing for the right to introduce safeguard measures on a selective basis against individual countries as a condition for unwinding the Multi-Fibre Arrangement, which governs trade in textiles.

Without such a change, it fears that its textile producers will be unwilling to

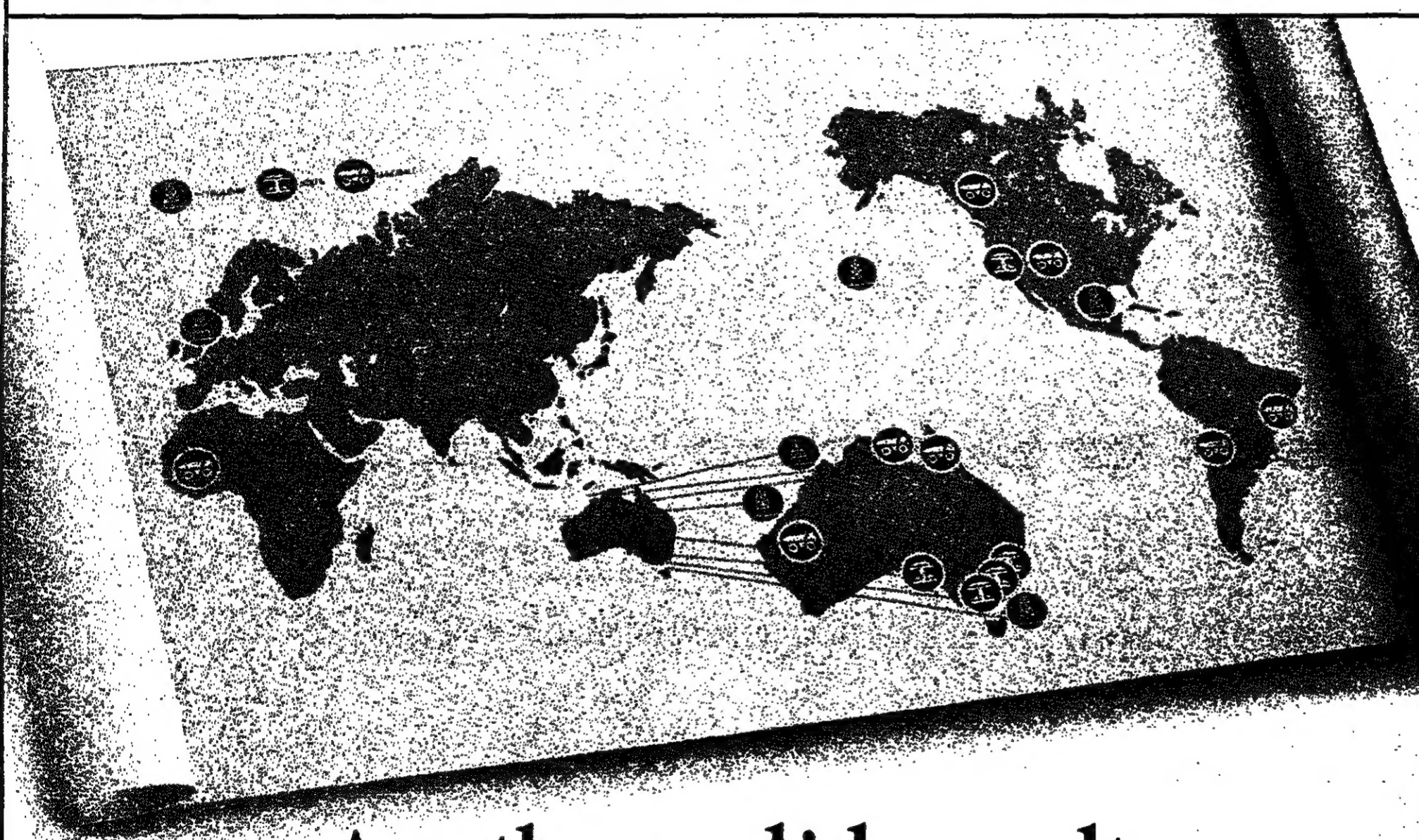
abandon the elaborate quota system that applies to trade in this sector.

Mr Carls told the conference Gatt should stick closely to its principle of non-discrimination in safeguards. Governments should also refrain from using anti-dumping procedures, which are permitted under Gatt, for protectionist purposes.

Negotiations on modified anti-dumping rules are taking an increasing importance in the Uruguay Round, he said.

"There is a possibility that the way in which dumping margins are calculated could be changed."

BHP 1989 HALF YEARLY REPORT



Another solid result from one of the world's leading resource managers.

BHP's performance during the half year ended November 1989 again produced a solid result reflecting firm demand, higher prices and improved productivity.

Group profit for the half year was \$560 million* on an operating revenue of \$7 billion.

The November dividend to shareholders was 17.5 cents per share. These figures reflect the underlying strengths of BHP's operations, and they have been achieved despite higher interest rates. During this period investments to expand and upgrade the Company's asset base continued.

STEEL

A strong demand for steel products in Australia produced record sales for the half year. Significant productivity gains and a trend to added value products have contributed to this group's results. Exports were increased.

OPERATING PROFIT (\$m)

560 NOV '89

539 NOV '88

DIVIDENDS (\$m)

254 NOV '89

217 NOV '88

MINERALS

Strong world prices in all major product categories have continued to drive the success of the Minerals business. The construction of the Escondida copper mine in Northern Chile is progressing well.

PETROLEUM

Firm world oil prices have produced an improved result from this unit. The result includes a contribution from refining and marketing by Pacific Resources Inc. Deliveries of LNG to Japan began in August. Challis, the second Timor Sea oilfield, began production in December.

For further information, please contact Dr Brian Belcher, Corporate Representative Europe, The Broken Hill Proprietary Company Limited, 90 Long Acre, London WC2E 9RA.



Australia's International Resources Enterprise

Hungary suspends rouble trade licences

HUNGARY yesterday suspended all licences for exports denominated in roubles in what looked like a bid to divert goods away from the Soviet-led trade bloc Comecon and earn hard currency to help ease its debt burden, Reuters reports from Budapest.

The trade ministry said it would review and revise all export licences and contracts for the trade in non-convertible roubles on a case by case basis, Hungary's MTI news agency said.

Hungary, one of the most advanced of East bloc nations now on the road to a market economy, is struggling to finance a \$20bn debt, the highest per capita in eastern Europe. About half its exports go to the rouble area and it has chalked up a huge rouble surplus.

Mr Tamas Beck, trade minister said the surplus was too much of a burden for Hungary's ailing economy and was tantamount to an interest-free loan.

"What happens in effect is that Hungary actually finances rouble exports with western loans obtained with growing difficulties," MTI quoted him as saying.

According to preliminary figures, Hungary registered a rouble trade surplus of more than 1bn roubles \$1.5bn last year.

MTI said the surplus in just the first two weeks of this month reached a "dramatic" 200m roubles (\$410m).

Hungary's economic programme for 1990 foresees a \$1.5bn (\$2.5bn) cut in its non-convertible trade balance in order to maintain creditworthiness and improve the budget balance.

"It seems though that the cut cannot be achieved only by economic policy measures," MTI said.

Hardest hit will be the engineering industry, which accounts for two-thirds of Hungarian exports to the rouble trade bloc.

The suspension included export quotas in 1990 inter-state agreements within the Soviet-led trading bloc Comecon, MTI said.

Since its foundation in 1949 Comecon has controlled its members' trade through a barter system dominated by Moscow.

In Sofia last week Comecon prime ministers took the historic decision to move from rigid central planning to a market-based trading system but members were divided on how far and how fast to proceed.

Comecon finance ministers meeting in Prague this week agreed the bloc should introduce accounting in convertible or national currencies as soon as possible.

Aeroflot plans deal to lease Airbus aircraft

By Quentin Peel in Moscow

AEROFLOT, the Soviet national airline, has announced that it hopes to sign a leasing agreement for the purchase of five A-310 Airbus aircraft next week, confirming its success in finding the necessary finance for the deal.

Mr Vladimir Samorukov, head of the international commercial department of the Soviet Ministry of Civil Aviation, said that the aircraft - the first from the West to be bought by the airline - were needed to cope with a sharp increase in demand for international air travel because of the country's growing foreign economic links.

According to the airline's own statistics, it has failed to

carry up to 16n passengers a year because of lack of capacity.

Deliveries of the Soviet-manufactured Ilyushin 96-300, supposed to have taken place in 1988, have been postponed to 1990-91.

The short to medium range Airbus aircraft, which are manufactured in Toulouse, France, using components from West Germany, Spain and Britain, will be supplied in 1991.

The only details given of the leasing agreement are that its duration will be for full payment within 10-12 years.

In addition to the initial five aircraft, the Soviet airline has an option to purchase a further five more.

American Airlines judged best carrier for catering

By David Churchill, Leisure Industries Correspondent

AMERICAN AIRLINES, the US air carrier, was yesterday judged to offer the best food and wine of any international airline in a test involving the top 10 airlines for business travellers.

Eight judges, including some of the world's leading chefs, sampled typical airline menus in a "blind" tasting carried out at London's Heathrow airport and organised by Business Traveller magazine.

American Airlines, which entered the annual competition for the first time, was judged

to serve the best food and wines by a large margin from Singapore Airlines, the winner last year.

British Airways was joint third along with Thai International Airlines. Virgin Atlantic, voted the best business airline on the North Atlantic by readers of Business Traveller last year, came bottom.

American Airlines' winning menu included lobster fajita with tomato salsa and chocolate marquis mousse. The wine served with the meal was Mondavi Fume Blanc 1987.

* All figures in \$A. Δ Before minorities and extraordinary items.

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floated and massively
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UK NEWS

Sharp slowdown in Britain's productivity growth

Government claims large pay deals put jobs at risk

By Peter Norman, Economics Correspondent

MR Michael Howard, the recently appointed Employment Secretary, yesterday warned that large pay claims could jeopardise job creation and falling unemployment in Britain.

Speaking after the publication of official figures showing a modest drop in unemployment and a sharp slowdown in productivity growth, Mr Howard warned that a sharp rise in British unit wage costs "inevitably puts jobs at risk."

The Department of Employment said yesterday that wages and salaries per unit of output rose by an average, seasonally adjusted 9.6 per cent in the third quarter of 1989.

At the same time, productivity, as measured by output per head, grew by only 0.1 per cent in the whole economy between the second and third quarters of last year. Productivity

growth slowed to an annual 0.6 per cent in the third quarter from 1.2 per cent in the three months before and increases of around 3 per cent in 1987.

Mr Howard pointed out that British unit wage costs are rising faster than in major competitor nations. He said the downward trend in unemployment - it fell in December for the 41st consecutive month - had begun to ease as Government measures to reduce inflation took effect.

December's unemployment total of 1.635m was the lowest for more than nine years. But Mr Howard warned: "Further progress with reducing unemployment and creating jobs will depend on moderation in wage costs."

Official figures yesterday showed unemployment fell by a seasonally adjusted 17,100 in December, cutting the unemployment rate to 5.9 per cent.

The fall in the seasonally adjusted jobless figure in December was the smallest monthly drop since January 1987.

The Employment Department also announced that average earnings in the year to November increased by an underlying, seasonally adjusted 9.25 per cent, unchanged from the October rate. November was a month with no notable pay settlements.

Both the drop in unemployment and the rise in average earnings were in line with City of London expectations. But Ms Evelyn Brodie, senior UK economist at merchant bank Morgan Grenfell, said the third quarter unit labour cost figures were "very bad news."

She said: "If companies are facing such higher costs, they have a choice between lower profits, higher prices or firing people."

However, there was no sign yesterday of any let up in the current round of high wage claims as leaders of 750,000 local government white collar workers lodged a claim for a flat rate £1,500 a year pay rise. That would mean rises ranging from 20 per cent for the lower paid to 7 per cent for senior officials.

Cash bids leave UK as net equities seller

By Rachel Johnson

A SERIES of cash bids totalling £4bn in the third quarter of 1989 left British financial institutions as net sellers of UK equities for the first time since 1974.

The institutions sold £200m of UK shares while in an average quarter they buy equities worth around £20m. Last year they shunned the UK markets and sought exposure abroad, where they invested a record £4.8bn in shares, according to the latest figures for institutional investment released yesterday by the Bank of England.

In sharp contrast to 1974, however, the disposal of UK equities was a result of take-over activity and very large cash bids, notably Hanson's bid for Consolidated Gold Fields in May. This resulted in £2.2bn shares being exchanged

for cash in September 1989. Pension funds alone sold £1.5bn worth of UK shares.

"In 1974, the institutions were net sellers because they were forced to sell their way out of a falling market," said Mr Mark Brown, economist at UBS Phillips and Drew.

The takeover activity last year, in contrast, created "thoroughly exceptional" circumstances and excessive liquidity. Despite heavy buying of overseas equities, and less shedding of gilts, institutions' cash holdings rose by £2.5bn in the third quarter, compared to £1bn in the first half of the year.

With institutions cashing in from the sale of stock, "natural sellers" of UK equities became "artificial," Mr Brown said. "This helps explain the take-off in UK equities in

December and the new year." Pension funds invested an unprecedented £2.4bn in overseas equities, while disposing of £1.5bn of UK company securities such as corporate bonds. These, like gilts, look less attractive to investors in times of high interest rates.

Also as a consequence of the high returns available in high street banks, institutions concentrated in short term assets, where they invested £2.5bn. Of that, some 80 per cent represented increases in holdings of cash and bank deposits.

The investment of long-term insurance funds at £4.5bn, was the largest amount on record, and reflected the growth of contributions to personal equity plans.

Ford unions expect close result in strike vote

By John Gapper, Labour Editor

FORD UNION leaders are expecting a close result in the vote by the company's 31,900 workers next week on whether to go on indefinite strike.

The company's 7,900 skilled workers are thought likely to be the most strongly opposed to the company's pay offer.

However, both union leaders and Ford managers regard the result of next week's ballot on the final pay offer - worth 10.2 per cent in the first year of a two-year deal - as less predictable than the earlier industrial action ballot.

The semi-skilled workers forming the majority of the workforce are thought to be less eager for a strike because the conditions for their workers to gain extra increases are likely to be less stringent than for skilled workers.

Workers at Ford's Bridgend engine plant yesterday called off their unofficial strike to wait for the result of next week's ballot.

Production at the company's Halewood plant in Cheshire, however, remained halted by an unofficial strike of 400 maintenance craftsmen. The strike has caused the lay-off of 6,000 other Ford production workers at Halewood.

Ford has lost £40m of output this week because of unofficial strikes. Union leaders have called for workers to wait for the outcome of next week's ballot, to start on Tuesday at the company's 21 UK plants.

Ford managers expect the strongest votes in favour of action to be at the company's engine and vehicle production plants at Dagenham, Halewood, Bridgend and Southampton plants, where larger proportions of craft workers are employed.

Craft workers have been vociferously opposed to the company's two-year offer of 10.2 per cent in the first year and inflation plus 2.5 per cent, or a minimum 8 per cent, in the second year.

Thatcher strives to quell poll tax revolt

By Michael Cassell, Political Correspondent

MRS Margaret Thatcher yesterday attempted to quell a Tory rebellion in the House of Commons over the implementation of a community charge, or poll tax, by calling on her backbenchers to direct their criticism at high-spending Labour councils.

The Prime Minister's suggestion that Tory MPs should "reserve their firepower" for extravagant local authorities came as ministers and Government party organisers made final efforts to quell a threatened backbench revolt on a vote to approve the levels of central government funding for councils in 1990-91.

In the Commons, ministers faced repeated criticism over the tax from Tory MPs. Some described it as fundamentally flawed and called for it to be scrapped, underlining deep unease within the party about the electoral impact of the tax when it is introduced in England and Wales in April.

Mr Chris Patten, the Environment Secretary, nevertheless failed to heed Tory MPs' demands for further concessions on the so-called safety-net arrangements, intended to soften the impact on charge payers losing out under the

changeover. Mrs Thatcher faced angry accusations in the Commons from Mr Neil Kinnock, the Labour opposition leader, that the Government was guilty of "incompetence and deception" in introducing a tax which was "absurd and dishonest."

The Prime Minister, who confronted Labour jeers when she inadvertently referred to the "poll tax", said people would recognise it as a more fair and more accountable system once it was working.

Mrs Thatcher, who attacked Labour for having produced no alternative, staunchly defended the unified business rate. She stressed that the Midlands and the north would benefit by £200m over five years, during which time the south would be helped to make the transition to the new system.

Facing repeated interventions from his own benches, Mr Patten offered no improvement on the transitional arrangements limiting the increase in payments per head. He did appear to leave the way open for a reappraisal of the new method of assessing the level of central government assistance to councils.

New Lingua scheme cash

THE GOVERNMENT is to set up special offices in London, Edinburgh and Belfast to coordinate the Lingua programme, a European Community initiative designed to improve EC citizens' knowledge of each other's languages.

Mr Angela Rumbold, Minister of State for Education, announced the programme last night. It will cost the Government £130,000 on top of its £23m contribution to the £130m cost of the five-year project.

The EC budget will provide grants to improve language training in smaller companies through a system of foreign exchanges and the development of vocational language qualifications with other mem-

ber states. Other aspects of the scheme include sending trainee language teachers abroad to improve their oral skills, support for more student exchanges, and increasing the foreign language content on business, technical and vocational courses.

Last year, Britain and West Germany vetoed proposals to extend the scheme to make it compulsory for pupils in all EC schools to learn two foreign languages.

Under the new national curriculum, all 11-16 year olds will be required to study a foreign language. The Government hopes this will improve British competence in languages.

IN BRIEF

Glaxo to set up sales arm for E Europe

Glaxo, Britain's biggest drugs company, is setting up a new subsidiary based in London to explore sales of pharmaceuticals in Eastern Europe. Dr Ernest Mario, chief executive, said he had no specific objectives for the new company in the short term, but felt the potential for sales in the region was considerable.

Steel output falls

Britain's output of steel totalled 18.74 million tonnes last year, a fall of 1.1 per cent on the level of the previous year. The 1988 output, at 18.85m tonnes, was the highest production for nine years. Part of the small drop in output was caused by mechanical problems which shut one of British Steel's blastfurnaces.

Safety warnings on ham Packets of Plumrose chilled ham are being withdrawn from shops after sample packs were found to contain listeria bacteria. Production of five brands has stopped at the company's factory in King's Lynn, Norfolk, for a food safety investigation.

British Gas strikes oil

British Gas has discovered oil at Beckering, about 10 miles north-east of Lincoln. A well, drilled to a depth of 5,000 feet, flowed at 120 barrels a day. British Gas intends to proceed with a long-term test of the well which will determine whether it can be developed commercially, subject to planning consent.

Green policy urged

The Government is ready to back British companies which help Third World countries avoid the threat of a thinning ozone layer. Lynne Chalker, Minister for Overseas Development, said at a conference in London on corporate environmental policy.

Smithkline cuts 80 jobs Smithkline Beecham, Anglo-American drugs and consumer-products company, is to make 80 people redundant at a drinks factory in Coleford, Gloucestershire. The redundancies arise from an £8m investment programme in new machinery at the factory which will reduce the need for workers.

Computer family grows International Computers, the UK's largest information systems supplier, announced a family of systems developed in collaboration with AT&T, the US telecommunications company, and Sun Microsystems, the leader in microsystems workstations, which it says sets new standards for price and performance in the mid-range market.

Small returns Small company shares returned some 25 per cent less than the FT-Actuaries All-Share Index last year, according to brokers Hoare Govett.

Electric bolts to power Anglo-US gun

By David Fishlock, Science Editor

INVITATIONS to industry to bid for parts of a radically new kind of gun, fired by bolts of electricity instead of explosives, are expected to be announced by the Ministry of Defence in the next month.

The demonstrator electromagnetic tank gun will be assembled at Kirkcaldy in Scotland, for a three-year Anglo-US defence research programme expected to cost some tens of millions of pounds.

Key components include a

gas turbine, a 60 megajoule homopolar generator, switchgear and a novel design of gun barrel.

The project could lead to a new 'tank' gun with much greater armour-piercing power by the end of the century, a senior MoD scientist has forecast at the Institution of Electrical Engineers.

The demonstrator, to be installed at an MoD artillery range on the Firth of Forth, is being funded equally by the MoD and the Pentagon's

Defence Advanced Research Projects Agency.

An electrical pulse of up to 5,000kW will be unleashed to propel a projectile up to six inches long - the length of current armour-piercing darts - along tracks in an electromagnetic railgun. It is expected to be able to fire several shots a day.

It is to be installed during 1992 and used to investigate the accuracy and penetrating power of the new weapon concept.

Among British companies involved in the programme are Rolls-Royce with compact gas turbines for generating the power, Northern Engineering Industries with generators and switches for delivering power in big pulses, and Hunting Engineering with novel munitions.

The MoD programme, running since the early 1980s, has made unexpectedly rapid progress in the past two years in miniaturising the main components.

Call for big reform of law on contracts

By Robert Rice, Legal Correspondent

THE LAW Commission has called for a change in the way the courts to apportion damages awarded for breach of contract where both parties are at fault. The change would have far-reaching effects on all consumer and commercial contracts.

Under the present law apportionment of damages is not possible in the absence of negligence and where the defendant is liable only for breach of contract. Where one party is in breach of contract and the other party is also at fault the winner of the dispute takes all regardless of the fact that they are both to blame.

By contrast, under general law of negligence, a person who, for example, fails to wear a seat belt and is injured in a car crash caused by the driver's negligence will have their damages reduced. This reflects the fact that both sides are to some degree responsible for the extent of the injuries.

Calls for reform to increase the role of apportionment in

contract cases have come from a number of professional and judicial bodies recently including the 1989 Report on the Review of Banking Services Law chaired by Professor R. B. Jackson and the 1988 Report of the Audit Study Team on Professional Liability.

The Jack Report noted that among the banking community that the present law was unduly favourable to the customer. Under present law customers owe two duties to their banks: a duty to refrain from drawing a cheque in a manner which may facilitate fraud or forgery; and a duty to inform the bank of any forgery of which they have knowledge.

Customers who fail to observe either of these duties cannot recover from the bank if it debits their account as a result. Disquiet in the banking community came to a head in 1988 following the Tai Hing Cotton Mill case in Hongkong. Tai Hing's account clerk had forged cheques of HK\$5.5m over six years. When the fraud

was discovered, Tai Hing successfully recovered the money from the Liu Chong Hing Bank. The court ruled that Tai Hing owed the bank no more than the two basic duties.

In evidence to the Jack Committee, however, the banking community questioned whether it was just for the bank to be wholly liable for the forged cheques which it could only have discovered by elaborate and expensive inquiries when Tai Hing could have prevented the fraud by elementary precautions.

The case led the Jack Report to recommend a change in the law so that in an action against a bank in debt or for damages arising from an unauthorised payment, the customer's contributory negligence could be raised as a defence where it would be unfair for the bank to bear the entire loss.

This view differs from the approach taken by the Law Commission in a number of respects. The commission

believes the courts should be able to apportion damages in all cases based on conduct where the plaintiff's conduct contributes to his loss. Whether it has or not would be for the court to decide on the facts in each case.

In the banking field therefore the proposals would not just operate in the bank's favour as the Jack Report proposed but in favour of the customer where, for example, a bank paid out on an altered cheque in circumstances where it ought to have discovered the fraudulent addition (under present law it would not have to) or where a customer fails to report a forgery he knows about but where the bank ought to have discovered the forged signature.

The change in the law would have wide application to all consumer and commercial contracts.

Contributory Negligence as a Defence in Contract, Law Commission Working Paper No 114, HMSO, £3.50.

Strasbourg condemns UK's handling of ambulance strike

By Tim Dickson and Fiona Thompson

THE European Parliament yesterday gave its moral support to UK ambulance staff in a gesture that predictably infuriated British Conservative MEPs.

A special resolution of the Strasbourg assembly - passed with 105 votes in favour, and 45 against - condemned the Government's handling of the dispute and called for independent binding arbitration.

The "motion" expressed "alarm at the willingness of the British Government to suppress the rights of a major group of public sector workers," and noted "the overwhelming support of the British people for the ambulance workers."

It called on the Government to recognise the need for independent binding arbitration, as well as existing machinery, to bring about a speedy and honourable settlement and expressed support for the ambulance workers' demand for an automatic pay-fixing mechanism in future wage negotiations.

The motion also expressed "regret that the UK Government's opposition to the maintenance of basic workers' rights has resulted in the erosion of UK labour law and has threatened 'EU'-endeavours to improve the situation of workers throughout the Community."

The UK was the only member state not to sign the charter of basic rights at last month's EC summit. In London yesterday, crews at two more stations went on unofficial strike, joining colleagues at Tottenham, which has been out since Tuesday.

In Essex, nine of the county's 80 ambulance stations were on all-out strike and staff at others in the south of the county have locked themselves in in protest. Crews at two stations in Sussex were out.

In Scotland, the Scottish Ambulance Service management claimed only 154 of the country's 1,900 ambulance staff were working normally.

And in Wales, police and army vehicles look set to be called in for the first time because of a row over the docking of ambulance crews' pay.

Under the agreement, which

New call for public account of Porton research contract

By Peter Marsh

MR Kenneth Clarke, the Health Secretary, yesterday came under renewed pressure to explain the circumstances of an agreement in 1985 between an 'Applied Microbiology and Research' (AMR) and Porton International, a biotechnology company backed by £76m from private investors.

MPs from both the Labour opposition and the Conservative party voiced their disquiet in the wake of a disclosure that an official working party set up by the Health Department in 1984 recommended against the Government finalising the deal with Porton.

At the same time Mr Charles Stevens, a retired drug-industry executive who headed the government team which negotiated the agreement with Porton, said he now regretted that the deal had gone ahead.

The accord was between the Public Health Laboratory Service (PHLS), part of the Department of Health, and Porton, which was set up in 1982 by Mr Wensley Haydon-Baillie, its chairman.

Under the agreement, which

was ratified in 1985 by Mr Clarke when he was Health Minister, Porton was to commercialise inventions at the Government's Centre for Applied Microbiology and Research (CAMR), based in Wiltshire.

As part of the deal, which boosted the image of Porton in the eyes of City of London investors, the company had said it would build a new £20m fermentation unit at the research laboratory. In the event, the unit had been built and Porton has slipped considerably both on its profits forecasts and on projected developments.

Mr Haydon-Baillie has made considerable gains from Porton. In 1986 he sold some of his shares in the company for £24m.

It has also emerged that Mr Clarke in 1985 ignored the advice of a Health Department working party not to conclude a deal with Porton over CAMR. Instead, the working party wanted the Government to leave CAMR in its current state.

Next stop on the high road to devolution

Plans for Scotland's independence could have far-reaching effects. By James Buxton.

THIS MORNING, in the Italianate halls of the City Chambers in Glasgow, Scottish politicians will attempt to recreate the confident atmosphere in which, nearly a year ago, they launched their campaign for a Scottish parliament.

It is the third session of the Scottish Constitutional Convention, a body consisting of MPs, MSPs, councillors, trade unionists and others who pledged themselves last March to draw up a blueprint for a Scottish parliament with which they intended to confront the Government.

The convention is boycotted by the Conservatives, who oppose devolution, and by the Scottish National Party, which wants outright independence. Business people have largely steered clear of it. Most of its members come from Labour and the Liberal Democrats, but that still means about 80 per cent of Scottish MPs. Opinion polls repeatedly show that only about 20 per cent of Scots are happy with Scotland's constitutional status quo.

The convention began impressively last year with its members signing the claim of right, proclaiming "the sovereign right of the Scottish people to determine the form of government best suited to their needs."

Since then its executive has produced a lengthy document outlining options for a separate Scottish parliament. Some 350,000 copies of a leaflet summarising the arguments have been distributed and there have been many comments, though few from individuals.

But the convention's members know that they are now coming to the hard part: producing a convincing scheme on which Labour and the Liberal

Democrat can remain united. Even if they can agree there will remain the question of how the convention pursues its campaign ("What happens when Maggie says no," in convention parlance).

While the convention's supporters draw analogies with the popular rebellions in Eastern Europe, hardly a demonstrator has taken to the streets in Scotland in support of a Scottish parliament. The running is all made by political activists, with the public represented primarily through opinion polls.

Canon Kenyon Wright, the silver-tongued cleric who chairs the convention's executive committee, confesses to "there not being as much (popular) enthusiasm as there might be." Yet what the convention has already broadly agreed on could, if implemented, have a profound effect not only on Scotland but ultimately on the rest of the United Kingdom.

It envisages a Scottish parliament taking responsibility for Scotland's internal affairs, such as education, health and local government (which would be reduced to a single tier). It would have the power to raise (or lower) taxation, unlike the Labour government's devolution scheme which failed to win enough support in a referendum in 1979. It could have powers over industry and regional aid.

Labour, while promising Scotland an assembly if it wins the next general election, would be loath to see any reduction in the number and voting powers of Scottish MPs, since more than a fifth of its MPs come from Scotland.

The party's idea of creating regional assemblies in other parts of Britain can only be an

DEVOLUTION CHRONOLOGY

- 1968 Edward Heath declares Conservative Party support for Scottish assembly
- 1977 Labour Government's first devolution bill fails in committee
- 1978 Parliament passes vote to set up Scottish assembly, if approved by vote of at least 40 per cent in referendum
- 1979 Scotland votes narrowly in favour of an assembly, but vote is too small to qualify. Conservatives win general election and drop devolution
- 1987 Conservatives win only 10 Scottish seats in general election
- 1989 Scottish Constitutional Convention holds first session in Edinburgh

But there are three crucial issues on which the convention members are not agreed and which are particularly important for Labour.

First, there is the question of how a Scottish parliament relates to the Westminster parliament: the more powers a Scottish parliament took the less justification there is for Scotland to continue to send 72 MPs to Westminster. The most extreme proposal is that a Scottish parliament takes full sovereignty for Scottish affairs and hands back to Westminster responsibility for matters such as defence and foreign policy. In any case, why should the Scottish MPs be allowed to vote on matters such as education in Eastbourne when English MPs have no say on education in Edinburgh?

Labour, while promising Scotland an assembly if it wins the next general election, would be loath to see any reduction in the number and voting powers of Scottish MPs, since more than a fifth of its MPs come from Scotland.

The party's idea of creating regional assemblies in other parts of Britain can only be an

answer in the long term. Aware of anxieties at Labour's London headquarters, party leaders in Scotland want to keep the convention's ambitions within bounds.

Then there is the question of how a Scottish administration would be funded. Public expenditure per head in Scotland is, at £2,676 in 1987-88, about 500 more than in England and Wales. If higher spending in Scotland continued to be financed by the Treasury block grant as it largely is now, other parts of Britain would complain if their MPs no longer had much say in Scottish affairs and lacked their own assemblies.

If, on the other hand, Scotland levied all its own taxes and paid Westminster a "precept" for services such as defence, taxes in Scotland would probably have to be higher than in the rest of Britain. Indeed they might be higher anyway under an assembly if it wielded its tax-raising powers to supplement the grant from Westminster.

This is one reason why leading Scottish businesses are profoundly opposed to devolution.

They also fear uncertainty, damaging conflicts between London and Edinburgh and loss of influence at the centres of power - London and Brussels.

The third unanswered question is how a Scottish parliament would be elected. The obvious solution would be some form of proportional representation. The first past the post system would entrench the dominance both of the Labour party and of the Strathclyde region, Labour's heartland. In the 1987 general election Labour took 68 per cent of the Scottish seats at Westminster with only 42 per cent of the vote.

The Liberal Democrats insist that without PR they will walk out of the convention. There are many within the Scottish Labour party who argue that PR is fairer and that under it the party could still expect to be the leading group in a Scottish parliament. But the national leadership has set its face against PR for Westminster and might be reluctant to countenance it in Scotland.

The convention is not due to discuss PR today. Instead it will be thrashed out at Labour's Scottish conference in March, where several pro-PR motions are due for debate.

Nor is the convention tackling the other tough issues. The Conservative party this week launched a propaganda barrage to exploit what it sees as the convention's reluctance to answer the most difficult questions and point out the weaknesses of the convention's case. But Canon Wright says the Conservatives "fail to catch the mood of the nation" and are rehearsing yesterday's arguments. "We have crossed the Rubicon. We will not go back," he says.

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Yet while driving an XJ6, Sovereign, XJ-S or Daimler is a thoroughly relaxing experience, the effort which has been expended in design, research, engineering and production is, as you would expect, immense.

And we are the first to recognise that much of the credit for this should be shared with our suppliers, those whose components and expertise help make a Jaguar, a Jaguar.

Specifically to acknowledge those who have made a particularly notable contribution we established our own 'Pursuit of Excellence' Awards. And yesterday in Birmingham's Metropole Hotel, Jaguar Chairman Sir John Egan made presentations to no less than 99 companies whose performance has been exceptional.



'Supplier of the Year' and recipients of a handsome, specially commissioned bronze sculpture, were Pirelli Limited, whose Carlisle factory supplies over 60% of the company's tyre needs - a figure which is expected to grow this year.

Other award winners are: Albion Spring Co Limited • B A S F Inks & Coatings Limited • B R D Company Limited • B S K Aluminium Limited • B S R D Limited • Blagden Willamot • Bonar Polythene Films Limited • Bostik Limited • Brico Engineering Limited • British Metal Engraving Co Limited • Bruhl (UK) Limited • Brycrest Limited • Carr Speed Plastics Limited • Cars Paints Limited • Castrol (UK) Limited • Champion Sparking Plug Co Limited • Clarion Shoji (UK) Limited • Coca Plastics Limited • Connolly Leather Limited • Continental Technical Products Division • Coopers Payen Limited • John Cotton (Colne) Limited • Darcast Components Limited • Derwent Plastics • Dow Corning Limited • Dowty Seals Limited • Eaton GmbH • Electrolux Elmotor AB • Ellison Morlock Industries Limited • Excel Plastics Limited • J T Farmer & Co Limited • Farnell Electronic Components Limited • Fibre Form Limited • Filterwerk Mann & Hummel GmbH • Firth Furnishings Limited • G K N Sankey Limited • Gaskell Textiles Limited • The Glacier Metal Company • Granges Aluminium (UK) Limited • Grundy Auto Products Limited • Gurit Essex (UK) Limited • Hella Limited • Hepworth & Grandage Limited • G N Hicks & Co Limited • S R Holbrook Limited • Hydramatic Division of General Motors Corporation • Hyman Components • I D A C (UK) Limited • Inalfa BV Metaalwarenfabriek • Kay-Metzeler Limited • Kiverton Park Steel & Wire Works Limited • L U K GmbH & Co • Lauriet Goulet • Leadum Limited • Lemforder Metallwaren Jurgen Ulderup AG & Co • Lucas Body Systems • Rists • M B Fastener Co Limited • Magna Autotea Autoteubehor GeembH • Marley Foam Limited • Alfred McAlpine Construction Limited • Motor Industry Research Association • Movement Preparation Services • J V Murcott & Sons Limited • N G K Spark Plugs (UK) Limited • National Westminster Bank Plc - Browns Lane Branch • Nippondenso Europe BV • Nixon Industrial Diamonds Limited • Norma Products Limited • Oprey Communications plc • Ovako Steel Limited • Parkfield Wheels Kent Alloys • Philips Electronics • Pirelli Limited (Seating Division) • Plastic Mouldings (Cradley) Limited • Pressweld Limited • Q D F Components Limited • Ranco Europe Limited • Richard Hirschmann GmbH & Co • Richmond Drawing Services Limited • Ripaults Limited • Sander International (Europe) Limited • Sandvik Coromant (UK) • Serginson Bros Limited • Scandura Limited • Stabilus GmbH • D A Stuart Oil Co Limited • T R W Valves Limited • The Tempered Spring Co Limited • Alfred Teves GmbH • W A Thatcher Limited • Tinsley Bridge Limited • Triplex Safety Glass Co Limited • Vandervell Limited • Voilex (Wiring Systems) Plc • Wild Leltz (UK) Limited • Wild Manufacturing Group • Yeovil Precision Castings Limited • Z F Getriebe GmbH.



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MANAGEMENT

Remember those alleged symptoms of the British disease described by pundits in the late 1970s as reasons for the UK's industrial decline? The tea breaks, the large number of unions on one site, the inability of British manual employees to match the work rate of people in Japan and the newly industrialised countries of Asia.

Remember the love affair the same pundits had in the early 1980s with what they perceived as the Japanese way of doing things? Jobs for life, a cohesive company culture born out of everyone wearing the same uniforms and just-in-time inventory practices as the be-all and end-all of improving cost efficiency.

Remember, too, the more recent trends, the use of temporary labour, off-loading in-house manufacturing except for core components and freeing up plant to be sold for redevelopment as houses or supermarkets.

While parts of UK industry struggled to find a cohesive philosophy for manufacturing, a number of West German mechanical and electrical engineering companies have been at the centre of turnaround stories in Britain using many of the basic and largely unchanging fundamentals of German manufacturing.

One such example is FML, the electricity meter manufacturing business of Siemens — which owns several manufacturing businesses in the UK

In the first of an occasional series on the progress of UK companies acquired by continental European industrial groups, Nick Garnett looks at FML, a subsidiary of Siemens

Traditional virtues of long-term investment

and which last week bought full control from GEC of the Osram light bulb operation in Britain.

The German electrical and electronics group took a 51 per cent stake in 1979 of what was then struggling metering business of Ferranti, the defence and electronics company. In 1984 Siemens obtained 100 per cent control of the metering operation, sited among the terraced streets of Hollinwood, a suburb of Oldham. Since then, the operation's sales have risen from 57m to 255m and its share of the UK electricity meter market has risen from 20 per cent to 30 per cent.

It has not been a spectacular process but it has been a successful one at FML, which employs 600 out of Siemens 3,500 workforce in the UK. And it has been built on the traditional virtues of investment, new production buildings, retooling, the introduction of new products and redesign of old ones and all based on the kind of

pay-back times many British publicly quoted companies would find too long.

Ten or so unions still organise at FML. There is even old-style piece work. Assembly operators in the new bright and airy assembly plant which churns out over 1m meters a year still take their 15-minute tea breaks morning and afternoon.

But underpinning the company is the kind of commitment to manufacturing endemic across Germany. A large part of the 14-acre site has been cleared as a result of knocking down many of the site's older pitched-roof buildings but Siemens says there is no plan to sell land.

"We will not sell it for housing development," says Tim Sheppard, FML's managing director. "We have no interest in that. Siemens wants it as a manufacturing site. If anything we're looking to acquire more land and that will be for expansion. Siemens has a major commitment to manufacturing in the UK."

The fact that FML neither makes a true consumer product nor competes with Japanese manufacturers protects it from the most difficult areas of competition. But it does face able competitors manufacturing electric meters in the UK, including GEC, Schumacher of the US and the Swiss company, Landis-Gyr.

Sheppard, a 39-year-old former Rascal Electronics engineer who spent a year in Germany as part of his Siemens management training, was not at FML when Siemens first acquired its stake. But what Siemens thought then of the site buildings are well known at Hollinwood.

"Siemens was horrified. It thought the site was simply beyond the pale." Some of these immediate post-Victorian buildings still remain but the last is due to be demolished in two years' time. Such high, pitched-roof structures which Siemens deems totally unsuitable for efficiency and for the comfort of shop floor workers are still common in the north



Tim Sheppard spent a year in Germany as part of his Siemens management training.

of England and in the Midlands.

Siemens purchased its stake because it wanted to get into the UK metering market. Ferranti's single phase meter, a new coin prepayment meter was brought in using the heart of the single phase meter.

Prepayment meters using tokens and developed in the UK were introduced in 1985 and 150,000 of these were made at Hollinwood last year. Multiscale microprocessor units to help with the handling of variable tariff rates were also introduced, helping to raise FML's share of the multiphase market from 8 per cent to 26 per cent over the past few years, according to Sheppard.

Along with this has gone much greater use of plastic rather than metal components — in line with developments in electrical engineering — and greater use of common components.

Several million pounds were spent on new production equipment including a fully automatic electroplating line, advanced injection moulding machines, coil-winding equipment and so-called direct screw injection technology. About 54m was spent on new buildings and equipment last year.

Siemens has a policy of keeping its manufacturing technology up to date, says

Sheppard. "It prides itself on technology and production techniques. Siemens is very much led by engineering with a strong counterbalancing commercial side."

Obtaining finance for machines judged to have pay-back times of five years or less is no problem, Sheppard says. If the payback is going to be longer than that but the machines are deemed by Siemens as necessary to maintain production volumes and standards, FML gets that machinery.

Nothing fancy is evident about the organisation of the plant and there is nothing fancy about the speed at which the mainly female assembly staff are expected to work. "We are looking for quality workmanship rather than absolute speed."

The pre-tax profit at FML is about 10 per cent of sales. This is nothing to write home about but well above Siemens' overall declared return after investment and capital expenditure.

As part of Siemens' long-term commitment to Hollinwood, FML and Siemens in Germany are spending £10m on the joint development of a solid state gas meter at Siemens was what do we have to do to get there in this field," Sheppard says. "We are not looking for volume production of this product until 1994 or 1995 and I doubt whether we will recover investment before the turn of the century. That is the long-term view Siemens takes."

County NatWest: the reality of retrenchment

Richard Waters explains the UK investment bank's strategy in the straitened circumstances of the securities market

its UK equity business.

For those that are left, the chances of making a good return are slight. This has led to a new emphasis on good management in an industry that, with healthy (and largely protected) margins in the past, felt little need for it before.

Changes under way at County NatWest, the investment banking arm of National Westminster, are typical. County believes that by managing itself better it can turn its £12m net loss in the first half of 1989 (when market conditions were as buoyant as they are likely to be for the foreseeable future) to at least break-even by the end of 1991.

County's first step has been to cut costs. The result was 79 redundancies earlier this week (out of total UK equity staff of 660).

The fact that a 13 per cent reduction in staff could be managed with no apparent loss to the company's

business is an indication of the degree of overmanning before. For instance, three separate settlement operations have been merged to remove unnecessary duplication (and 40 jobs). Settlement costs at County, at £56 for each agency transaction, have been higher than at most other securities houses and should nearly halve as a result of the changes.

A further 22 redundancies have reduced County's market-making staff by nearly a quarter. Yet with 70 market-makers, the bank still retains one of the largest teams in the market.

These moves, together with a number of technology developments, will wipe 15-20 per cent from the cost base, estimates Tim Ferguson, the recently-appointed chief executive of County NatWest Securities.

Any further retrenchment would

be disastrous, he says, claiming that the only options are to continue as a full-service firm operating in all sectors of the market, or to pull out entirely. "It's difficult to find a middle ground that isn't worse than the two extremes," he says.

In this, he (like others) has been influenced by the fate of Citicorp Scrimgeour Vickers, which attempted to reduce its market coverage to focus only on profitable areas. The result: market share and staff seeped away, leaving CSV with little option but to retreat from the business.

Beyond the cost-cutting, County is planning its hopes on its ability to make a coherent business out of its equity arm, which has been built out of various broking firms (Bisgood Bishop and Fielding Newson Smith before Big Bang, and Wood Mackenzie after it). As at other

firms, the reality has fallen well short of the ideal of an integrated investment house.

The greater integration is intended to come from breaking down the walls between functional areas (market making, research and sales) by the creation of teams defined by market sector rather than function. County is further behind than some in the industry in this respect, having not yet built a management accounting system that enables it to analyse the profitability of its business sector-by-sector.

In a further attempt at integration, this time across country borders, a single European management structure is being created to enable functional areas to work together more closely.

County's second thrust is to put more effort into giving its customers what they want — not a revolu-

tionary idea, perhaps, but something broking firms have failed at in the past. According to the main annual survey of investment institutions, undertaken by Eitel, 45 per cent of brokers' clients thought that the quality of the basic product — research — had deteriorated in 1989.

To push the market-driven approach, County has created a new customer services group, whose head (yet to be appointed) will oversee the functional departments within the bank.

The better service is meant to come from the appointment of a salesman to manage the bank's relationship with each client. This person will also deliver all the firm's products to the customer, supported by specialist salesmen if necessary.

The salesman will be responsible for making sure each relationship

is profitable for the bank. It does not yet have the basic information to make this possible, though. Its current accounting system does not provide an analysis of the profitability of each customer.

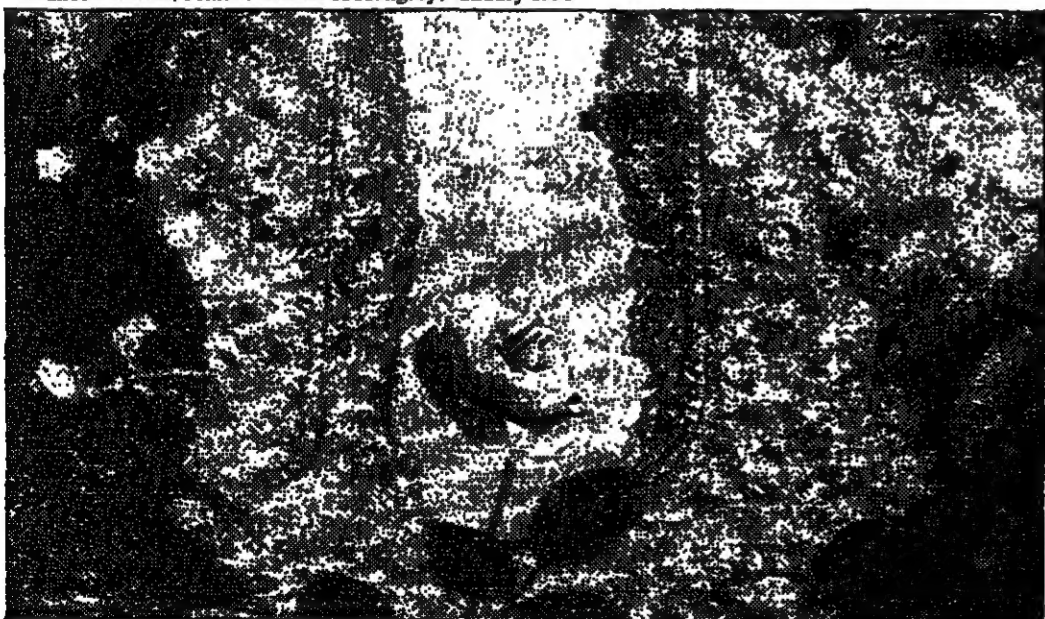
Finally, to improve the quality of its research products, County has been recruiting highly-rated analysts to strengthen its existing team. Like others, it believes it has to be ranked in the top three in any sector to secure customers' business.

The top three firms in a sector receive around 15 per cent each of the commission income available, the next three only half that, Ferguson estimates.

In these ways, Ferguson says he hopes to reach break-even on equities by the end of next year. This would be a significant psychological breakthrough. However, it would leave the business well short of the 25-25 per cent return on capital expected in the long run by NatWest. Achieving this is likely to take County NatWest Securities some considerable time, no matter how well managed it is.

"The COMECON countries must fit into the world market..."

* Miklos Nemeth, Prime Minister of Hungary, January 1990



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THE PROPERTY MARKET

Pick of the crop

By Paul Cheeseright

Colin Gershinson has had several hundred million pounds' worth of property offered to him this year. There is a great deal available and not many people prepared to buy it. Palmerston Holdings, the company of which he is managing director, is seeking to build an asset base on what is loosely called secondary property.

The market for properties costing up to £10m - the market where the indices may not reach - is now subject to a reaction from three years of explosive growth during which, as Mr Gershinson put it, "property was another commodity - a good business to go into. Now it isn't unless you know what you're doing. It's become a business for the professionals again."

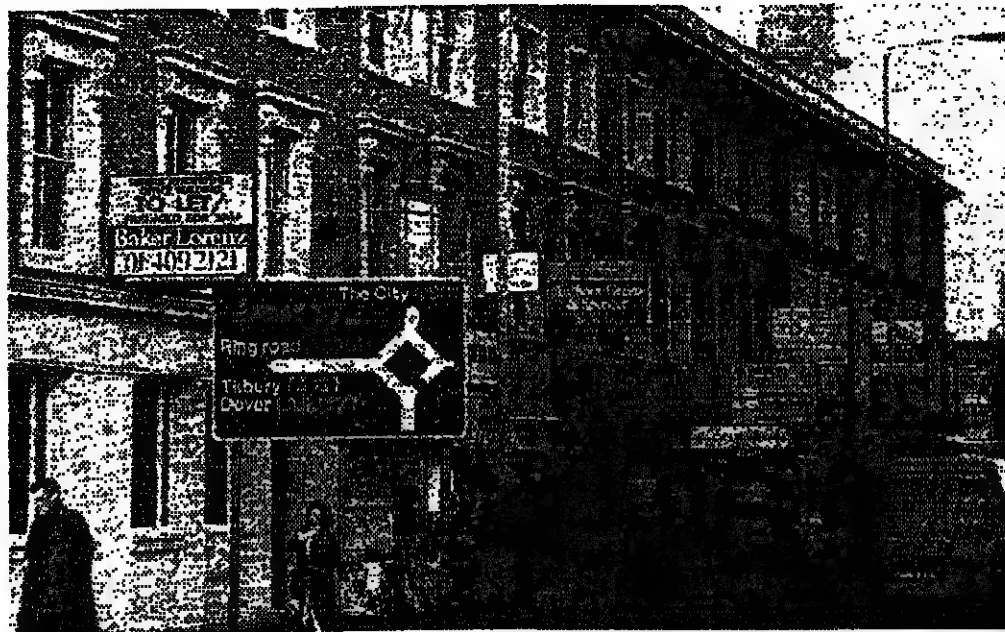
So far, he says, there is no panic in the selling but he has noticed that "we're being offered stuff we were first offered six months ago." A building first offered at £10m, on which Mr Gershinson had been prepared to pay £8m, is now coming back at £8m and

his initial response is being taken seriously.

He has defined three sorts of offers. The first is coming from companies having problems with high interest rates. "They are prepared to sell to keep things going. They're selling capital to pay interest."

The second set of offers comes from companies which he classifies as "unrealistic." The reason is that when "they are trying to sell they are talking of yields of 5, 6 or 7 per cent. That's what they've been used to. They won't accept there is no market at that level."

Thirdly, there are companies which want to be taken over. "Most of them are using valuations which are out of date," says Mr Gershinson. "In some cases their borrowing exceeds today's values." These are the types of situation where a bank has provided finance at, say, 85 per cent of a building's completed value. But the value of the building has slipped while the debt has increased with interest payments being rolled up.



City Road, in the City of London, where landlords offer concessions to future tenants.

In each of these three types of case the seller's position is extremely uncomfortable, but panic would only set in if banks start calling in their loans. Having said that, the banks probably do not want to be saddled with buildings which they cannot sell either. According to Mr Gershinson, there are four problems. High interest rates are one. Then there is flat growth - "generally you can say all the rents have reached their plateau and in certain areas there's been a downturn." The next obstacle is an actual or poten-

tial over-supply of space. Fourth: "Apart from the foreigners, there are no buyers."

Much has been said about the presence of Japanese, Scandinavian and Dutch investors in the market. But the Japanese buying has concentrated on a few large properties. And "for the last few weeks there has been a deafening silence from the Scandinavians and Dutch," says Mr Gershinson. They, he noted, had been holding up the market for what he calls "bland investments" - properties on a yield of about 8 per cent and already drawing

in the top rents.

Mr Gershinson's view of the bread-and-butter end of the market, then, is pretty cheerless for the short term. His own response to this is to forget about asset values for the next two or three years. "What over the value is, the value is. What matters is that the income covers interest, you don't have to worry about value."

What is certain is that there is little scope for the flashy sales of 1987 and 1988. "Short term trading is very, very difficult."

Test of Scots industrials

THE STRENGTH of the industrial property market is to be put to the test when the Scottish Development Agency's two portfolios of property, said to be worth over £100m, are sold. First bids have to be in next week.

Industrial property generally has leaped in value over the last two years, but returns now are drifting downwards.

The SDA has been the largest player in the Scottish industrial market from which, as a special investment property, it has been largely excluded. Through the 1980s, "Scotland's share of UK industrial portfolios shrank from 3.3 to 1.2 per cent."

This market is difficult to read. Until the mid-1980s, rental growth in Scotland was just as strong as anywhere else. "Only in the years of the strong market upswing, since 1985 have Scottish rental increases lagged significantly behind the UK," the IPA said.

Manufacturing industry in Scotland expanded much less slowly than elsewhere in the UK in the mid-1980s and the upturn in the Scottish industrial property market was not

readily apparent until 1988.

One characteristic of the property market in recent years has been the start of growth in London followed by its spread elsewhere. Scotland was one of the last areas it reached. Although returns have come off their peak since the middle of 1988, rents are still growing. "Northern industrial property is sustaining their performance far better than all other segments of the property market apart from northern provincial offices," said IPA.

But there are two ways of interpreting the difference in market performance between Scotland and England. Herring Son & Daw is handling the SDA sale and Nick Owen, the chairman, agreed that the sale might be more difficult than it would have been a year ago. But, he added, "we are far from despondent about it because there's no doubt at all the Scottish market is lagging the south east." In other words, Scotland will enjoy growth which the south east has already had.

Another way of looking at the lag is to contend that the market in Scotland will come off without having had the full extent of growth which has taken place in the south east. The four months to September showed the first big increase of available floorspace in England and Wales for more than six years, according to a survey by King & Co.

The IPA view of the industrial market is that Scotland will be subject to the same influences as the rest of the UK. It takes the forecast by Cambridge Econometrics of a 2 per cent growth in Scottish manufacturing - the same as for England - and suggests this should support further rental growth.

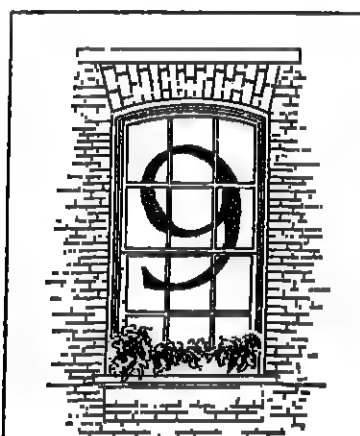
IPA also expects increased competition from office and retail uses for the best industrial sites. And the withdrawal of the SDA from development removes a source of space.

The performance of the SDA properties has followed the Scottish experience. Rental growth was running at up to two per cent between March 1987 and 1988 with capital values falling. Then capital values started to climb on the back of a 10 per cent rental increase during the year to March 1988.

	Retail	Offices	Industrial	All Property
Year to November 89	14.7	19.0	23.9	17.9
Quarter to November 89	3.4	4.6	5.3	4.2
Month of November 89	1.1	2.1	2.1	1.7

Source: Investment Property Database

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An eye-opening use for optical fibre

Geoff Tansey

In Europe, there have been suggestions that EC members should harmonise their regulations. If that happens, says Patricia Raymont, who chaired the Ceca meeting last October, there is a "distinct possibility" that countries with stringent regulations - such as the UK - would have to water down their laws.

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THE MERSEY DOCKS AND HARBOUR COMPANY
NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of The Mersey Docks and Harbour Company will be held in the City of Liverpool, at the offices of Messrs. Rens & Parnes, 121, The Strand, Liverpool, at 12 noon on Tuesday 6th February, 1960 when the following resolutions will be proposed as a special resolution.

"THAT the Bill, introduced into Parliament, promoted by The Mersey Docks and Harbour Company in the session 1959-60 and entitled—

"A Bill to confer additional powers upon The Mersey Docks and Harbour Company, to amend the Mersey Docks and Harbour Act 1971 and The Mersey Docks and Harbour Act 1961, and for extending or other purposes,"

which has been submitted to this meeting be and the same is hereby approved subject such additions, alterations and variations as Parliament may see fit to make therein and The Mersey Docks and Harbour Company may approve."

Copies of the Bill may be inspected and copies obtained at the price of 50p each at the offices of the Secretary at the address below and at the offices of Messrs. Rens & Parnes, 121, The Strand, Liverpool, 6, Warrington S.W.T., during normal business hours except on Sundays, Bank and public holidays excepted until and including 5th February, 1960, and at the Extraordinary General Meeting.

By order of the Board,
R. J. BOYER,
Secretary.

Port of Liverpool Building,
Pier Head, Liverpool,
L3 1BZ

11th January, 1960

No. 006133 of 1959
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
IN THE MATTER OF
THE ALBERT FISHER GROUP
PLC
- and -
IN THE MATTER OF
THE COMPANIES ACT 1955

NOTICE is hereby given that a Petition was on the 18th day of December 1959 presented to Her Majesty's High Court of Justice for the confirmation of the reduction of the share premium account of the said Company by £36,000,000.

And Notice is Further Given that the said Petition continued to be heard before the Honourable Mr Justice Warner at the Royal Courts of Justice, Strand, London WC2 on Monday the 29th day of January 1960.

Any Creditor or Shareholder of the said Company desiring to oppose the granting of an Order for the confirmation of the said reduction of the share premium account of the said Company should appear at the time of hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any such person requiring the same by the undersigned on payment of the regulated charge for the same.

Dated this 18th day of January 1960.

Ashurst Morris Crisp
Broadwalk House
5 Appold Street
London EC2A 3HA

Ref. ECM 2

Solicitors for the said Company.

ARTS

Arts Week

F | Sa | Su | M | Tu | W | Th
19 | 20 | 21 | 22 | 23 | 24 | 25

OPERA AND BALLET

London

Royal Opera, Covent Garden. No opera performances until February.

The Royal Ballet at Covent Garden shows *La Fille du Garde* with the *Laurentia* divertissement on Jan 24; Ashton's *Cinderella* loses her shoe on Jan 19 and 20. English National Ballet ends its run of Schaufuss's clumsy *Nutcracker* at the Festival Hall on Jan 20.

English National Opera, Coliseum. The company undertakes a Berlioz rarity - *Beatrice and Benedict*, his late, ravishingly beautiful version of *Much Ado about Nothing*. *Faust*, in Ian Judge's deft, fast-moving production. Final performances of the magical production of *Hansel and Gretel*, a triumph of intelligent modern operatic rethinking. *Paris*.

Théâtre des Champs Elysées. The Russian season includes, in alternation, *Khoovanchichina*, *Eugene Onegin*, *Boris Godunov* and *The Queen of Spades* (47503837).

Opéra. The Paul Taylor company arrives with two alternating programmes both full of humour and exhilaration. *Palais Garnier* (40173340).

Amsterdam

Netherlands Philharmonic Opera with a new production of Gluck's *Orphée et Eurydice*. (Sun matinee, Tue to Thur). Muziektheater (255 463).

Madrid

Teatro Lírico Nacional de la Zarzuela. A new production of Rossini's *Il Turco in Italia* opens the Madrid opera season. (429 83 25).

Brussels

Cirque Royal, Compagnia d'Opera d'Italia di Milano in Verdi's *Il Trovatore* conducted by Lajos Vasady-Balogh. Théâtre Royal de la Monnaie. The Monnaie opera in Mozart's *Così fan tutte*.

Vienna

Staatsoper. *Faust* conducted by Serge Baudo; *Der fliegende Holländer* conducted by Boris Klobucar; *Lohengrin* conducted by Claudio Abbado. Ballet: *Dornröschen* choreographed by Rudolf Nureyev. Volksoper. This week: *Die Zauberflöte*, *My Fair Lady*, *Die Fledermaus* and *Der Freischütz*.

Venice

Teatro la Fenice. Claude d'Anna's production of Leoncavallo's *La Bohème* opens the autumn season. The opera had its first performance here in 1897, a year after Puccini's *Bohème* opened at Turin, and was immediately forgotten. This revival is conducted by Jan-Latham Koenig. (8210181).

Rome

Teatro dell'Opera. Puccini's *Madame Butterfly* conducted by Daniel Oren. (Wed) (48.17.55).

Florence

Teatro Comunale. The Balletto Antonio Gades in *Fuoco* from *El Amor Brujo* by Manuel de Falla, with choreography by Gades, who dances with Stella Arauco, Candy Roman and La Bronce (2779236).

Sofia

Teatro Comunale. *Il Viaggio*, a new opera commissioned by the Comunale from the young composer, Fabio Vacchi. (529059).

Berlin

Opera. *Rigoletto* in Hans Neuenfels' production features Frederick Burchinal in the title role, Angela Denning, Ute Walter, John Sander and Bengt Rundgren. *Die Sachs Makropulos*, newly produced by Günter Krämer with sets by Andreas Reinhardt has its premiere this week.

Hamburg

Opera. A ballet *Hommage à José Limón* with three of his pieces. *Idomeneo* under the superb musical direction of Gerd Albrecht with Josef Protschka, brilliant in the title role, Hedwig Fassbender, Robert Alexander and Kurt Stiehl. *Otello* stars Linda Fisch, Wladimir Atlantow, Franz Grundheber, Heinz Kruse and Harald Stamm. *Don Pasquale* is a well done repertoire performance.

Cologne

Opera. The successful Harry Kupfer *Lady Macbeth* son *Mosk* production returns with Mariya Schmieg, Aage Haugland, Jean van Reand Günter Neumann. *La Finta Giardiniera* is well sung by Michael Myers, Teresa Ringholz, John la Pierre, Janice Hall, Andrea Andonian and Daria Brooks.

Frankfurt

Opera. Monsieur Beaupré and his company play Offenbach's three one act pieces. *Dido and Aeneas* has fine interpretations by Glensy Linza, Elaine Woods, Valentina Jar. *Phigene en Tauris*, sung in French will be conducted by Gary Bertini with Helena Dose, brilliant in the title role.

Honn

Opera. The wonderful Jorge Lavelli *Andrea Chénier* production is revived with a particularly strong cast led by Giorgio Lamberti, Gabriela Benackova, Christine Obermayr and Karol Sallag.

New York

Metropolitan Opera. Nello Sanzi conducts *La Gioconda* in Bruce Donnell's production with Ghena Dimitrova in the title role. James Levine conducts *Così fan tutte*. Lincoln Center Opera House (382 8000).

New York City Ballet. The mixed repertory continues with performances of *The Goldberg Variations*, *Les Femmes d'Alger* and *Prodigal Son*. New York State Theatre, Lincoln Center (870 8570).

Washington

Washington Opera. Roman Tietik's production of *Werther* continues with Mark Thomsen in the title role and Delia Palmour as Charlotte, conducted by Cal Stewart. *Edgarrigues*. Performances of *The Merry Wives of Windsor*. Eisenbrow (467 4600). Ballet National de Marseille Roland Petit. Programmes of *My Paslowa* and *L'Arlesienne* alternate with *Le Jeune Homme et la Mort* and *Le Diable Amoureux* during the company's week-long stay. Ends Jan 28. Kennedy Center Opera House (467 4800).

THEATRE

London

Anything Goes (Prince Edward). Cole Porter's silly ocean-going 1930s musical has four or five marvellous songs and Elaine Paige falling to emulate Ethel Merman. Jerry Zak's desperately bright production comes from the Lincoln Center in New York and is undemanding fare (734 981), or 838 2429).

Jeffrey Bernard is Unwell (Apollo). Brilliant performance by Peter O'Toole as an alcoholic journalist who embodies a Falstaffian, nay-saying life force while committing public suicide by vodka. Keith Waterhouse has stitched a fine play, the season's highlight, from Bernard's own writing. Ned Sherrin directs (437 2663).

The Good Person of Szechwan (Olivier). Magnificent National Theatre revival by wunderkind Deborah Warner of Brecht's great parable of moral ambiguity about a Chinese prostitute who can only do good by adopting a vicious disguise. If poverty is not combat by political systems, what can an individual's compassion do? Witty new translation by Michael Hofmann. Fiona Shaw leads a fine cast in a play new-minted for the 1990s. Jan 28-Feb 3 (528 222).

Another Time (Wyndham's). New Ronald Harwood play directed by Elijah Moshinsky about a white South African family in Cape Town and Maida Vale. Albert Finney plays father and concert pianist son across 35 years, suggesting that talent is a means of escape and a reason for not going back. Janet Suzman and Sara Kestelman are electrifying in support (387 1119).

M. Butterfly (Shaftesbury). Peter Egan has taken over from

Anthony Hopkins as the tormented diplomatic hero in a Peter Shaffer-style "spectacle of ideas" dressed up in John Dexter's superb production as a metaphor of homosexual life. The transvestite tragedy proves less electrifying than in New York; the play is not very good but still worth seeing (378 3399).

Aspects of Love (Prince of Wales). Andrew Lloyd Webber's latest is an intimate chamber operetta derived from David Garnett's 1955 novel. Musically interesting and well directed by Trevor Nunn, a cast of unknowns project the right sense of sybaritic insouciance. A probable, but unspectacular, hit (839 3972).

New York

Edith Piaf (Plymouth). Wendy Wasserstein's award-winning drama covering 20 years in the life of a successful American baby boomer goes from support for Eugene McCarthy's presidential aspirations to electoral ambitions in the 1980s, accompanied by the musical and emotional flavour of the period (230 0270).

Gypsy (St James). This 30th anniversary production does more than revive a rich, vivid musical; it also introduces a new belief in the Merman tradition. Type Daly, as the bossy, tireless and tumultuous Rose, who shamelessly leads her daughter into burlesque while rejecting a personal life for herself (248 0102). Gramercy Hotel (Martin Beck). Tommy Tune, Broadway's present musical director, directs this remake of the Gypsy film to at least shake the bones of this inert depiction of lives crisscrossing in an elegant, but somewhat random setting (248 0102).

In contrast with the elaborate original a decade ago emphasises the descent into madness of Bob Gunton as the demon barber of Fleet Street (239 6300).

Lead Me a Toss (Royale). A sprucing up in the set of a decaying town's big time opera ambitions makes a transatlantic hit of this farce, first produced in London, but now with a local cast led by Philip Bosco and Victor Garber (238 6300).

Jerome Robbins' Broadway (Imperial). Anyone attracted by the notion of three hours of film trailer previews will adore this compendium of Robbins' directed and choreographed plays of the past 40 years, including *On the Town*, *West Side Story* and *Gypsy*. The lustre of the credits is dimmed by the brevity of each piece, with a contemporary crew of Broadway aspirants who lack the multi-talents that inspired the heyday of the musical.

Les Misérables (Broadway). The magnificent spectacle of Victor Hugo's majestic sweep of history and pathos brings to Broadway lessons in pagantry and drama (238 6300). Me and My Girl (Marquis). Even if the plot turns on ironic mimicry of Puccini, this is no music, with forgettable songs and dated leadenness in a stage full of characters: it has nevertheless proved to be a durable Broadway hit (347 0083). M. Butterfly (Eugene O'Neill). The surprise Tony winner for 1988 is a somewhat pretentious, but obvious meditation on the true story of the French diplomat whose long-time mistress was

a male Chinese spy (246 0220). Phantom of the Opera (Majestic). Shuffled with Maria Bjornson's guided sets, Phantom rocks with Andrew Lloyd Webber's haunting melodies in this mega-transfer from London (239 6300).

Chicago

Steel Magnolias (Royal George). Ann Francis and Marcia Rodd play the leads in this view of southern life from under the dryers in a busy hairdressing establishment (268 3000).

Winter's Tale (Goodman). Frank Galati directs a production that spans the ages, interpreting Shakespeare as running from Ovid and television. Ends Feb 17 (443 3900).

I'm Not Rappaport (Briar St). Shelley Berman, one-time stand-up comic, now plays Nat. Herb Gardner's character is Central Gardner's character who gags his way through the 1986 Tony Award winner. (348 4000).

The Good Times are Killing Me (Body Politics). This City Lit production of Lynda Barry's first play captures an American childhood with poignant zanyness (871 3000).

Tokyo

Kabuki. The festive new year programmes (at 11am and 4.30pm) at Kabuki-za feature all the top stars, including several living National Treasures. Among the highlights of the matinee is a famous scene from *Benten Kozō*, whose underworld hero dresses as a lady of rank to carry out a raid. Opens Jan 2 (541 3131). At the National Theatre a triple bill featuring mainly younger actors and including Yuzo Koshiro's *anagoto* style. Opens Jan 3 (265 7411). Both these have excellent earphone guides in English as well as English-language programmes.

MUSIC

London

Roger Norrington and his London Classical Players. Rossini, Schubert, Schumann (Sat). Queen Elizabeth Hall, South Bank Centre (838 8900). London Symphony Orchestra conducted by Michael Tilson Thomas. Mozart, Copland, Bernstein, Prokofiev (Sun). Barbican Centre (828 8871). Chilingirian Quartet opens Bohemian Festival. Haydn, Dvorak, Martinu (Tues). Wigmore Hall (885 2141).

Paris

Cécilia Gasdia recital (Mon). Salle Gaveaux (4832000). Ensemble Orchestral de Paris conducted by Emmanuel Krivine. Jean Jacques Kantorow (violin), Lunelawski, Mendelssohn, Haydn (Tue). Salle Pleyel (4658870). Orchestre de Paris conducted by Semyon Bychkov, with Yo Ma (cello). Tchaikovsky, Shostakovich (Wed, Thur). Salle Pleyel (4658870).

Brussels

Belgian National Orchestra conducted by Paul Daniel with Johan Schmitz (piano). Beethoven, Berlioz and Shostakovich (Fri, Sun). Palais des Beaux-Arts. Hugues Naves (guitar) plays Villa-Lobos, Bach, Giuliani, Sor, Tedesco (Thur). Royal Music Conservatory. Haguro String Quartet plays Brahms, Mozart, Webern (Tues). Palais des Beaux-Arts.

Frankfurt

Ensemble Palatine State Orchestra, with Sabine Meyer (clarinet) conducted by Peter Schreier with Mozart (Sun). Alte Oper.

Cologne

Hot Jazz Meeting 90. Herbie Mann's all star band. The Dirty Dozen Brass Band. Leningrad Dixieland Band (Sat). Philharmonie.

Berlin

Berlin Philharmonic Orchestra, conducted by Seiji Ozawa. Brahms and Prokofiev (Tues, Wed). Philharmonie.

Amsterdam

Rotterdam Philharmonic conducted by Jukka Pekka Saraste, with Victoria Mullova (violin). Debussy, Mendelssohn, Shostakovich (Sat matinee). Concertgebouw (718 2487).

Netherlands Chamber Orchestra with Eckhart Haupt (flute), Harriet Haenschel conducting. Britten, Bach, Haydn (Sat). Concertgebouw (718 345). Guarnieri Quartet. Haydn, Lutoslawski, Schumann (Thur). Concertgebouw (718 345).

Utrecht

Netherlands Philharmonic and Isabelle van Keulen (violin) conducted by Michael Halasz. Bartok, Mozart, Mendelssohn (Tue, Thur). Vredenburg (31 45 44). Scholberg Ensemble, Euge

Percussion Group and vocal soloists. Reinbert de Leeuw conducting. Andriessen, Reich (Wed). Vredenburg (31 45 44).

Barcelona

Czech Philharmonic Orchestra and Prague Philharmonic Choir conducted by Václav Neumann. Mahler programme (Sun). Palau de la Música Catalana (301 61 43).

Madrid

Spanish National Orchestra conducted by Enrique García Asensio, with Andrea Lucchesini (piano). Brahms (Fri-Sun). Auditorio Nacional de Música (837 01 06).

Vienna

Wiener Kammerorchester and Wiener Kammerchor, conducted by Uwe Christian Haerter. Reger, Mozart, Schubert (Sat, Sun). Konzerthaus. Wiener Schubert Trio. Mozart, Schumann, Mendelssohn (Tues). Haydn Trio. Schubert, Kreisler, Johann Strauss (Thur). Konzerthaus.

Milan

Maurizio Pollini (piano). Chopin, Beethoven and Stravinsky (Mon). Teatro Alla Scala (80.81.36).

Venice

Maurizio Pollini (piano). Schumann and Chopin (Thur). Teatro la Fenice (8210181).

Rome

UK Schirmer conducting Strauss and Brahms, with Miriam Fried (violin) (Sat-Tues). Auditorium in Via Della Conciliazione (6641044). Samuel Ramey (bass) accompanied by John Fischer (Wed). Teatro Olimpico (365504).

New York

Philharmonia Orchestra conducted by Giuseppe Sinopoli with June Anderson (soprano). Berlioz, Mahler (Wed). New York Philharmonic. Erich Leinsdorf conducting. Liszt, Stravinsky, Poulenc, Offenbach (Thur). Avery Fisher Hall (874 8770).

Washington

National Symphony Orchestra. Metastasio Rostropovich conducting. Shostakovich, Albert (Tue). Metastasio Rostropovich conducting. Holten Hardenberg (trumpet). Barber, Tansberg, Sullivan (Thur). Kennedy Center Concert Hall (467 4800).

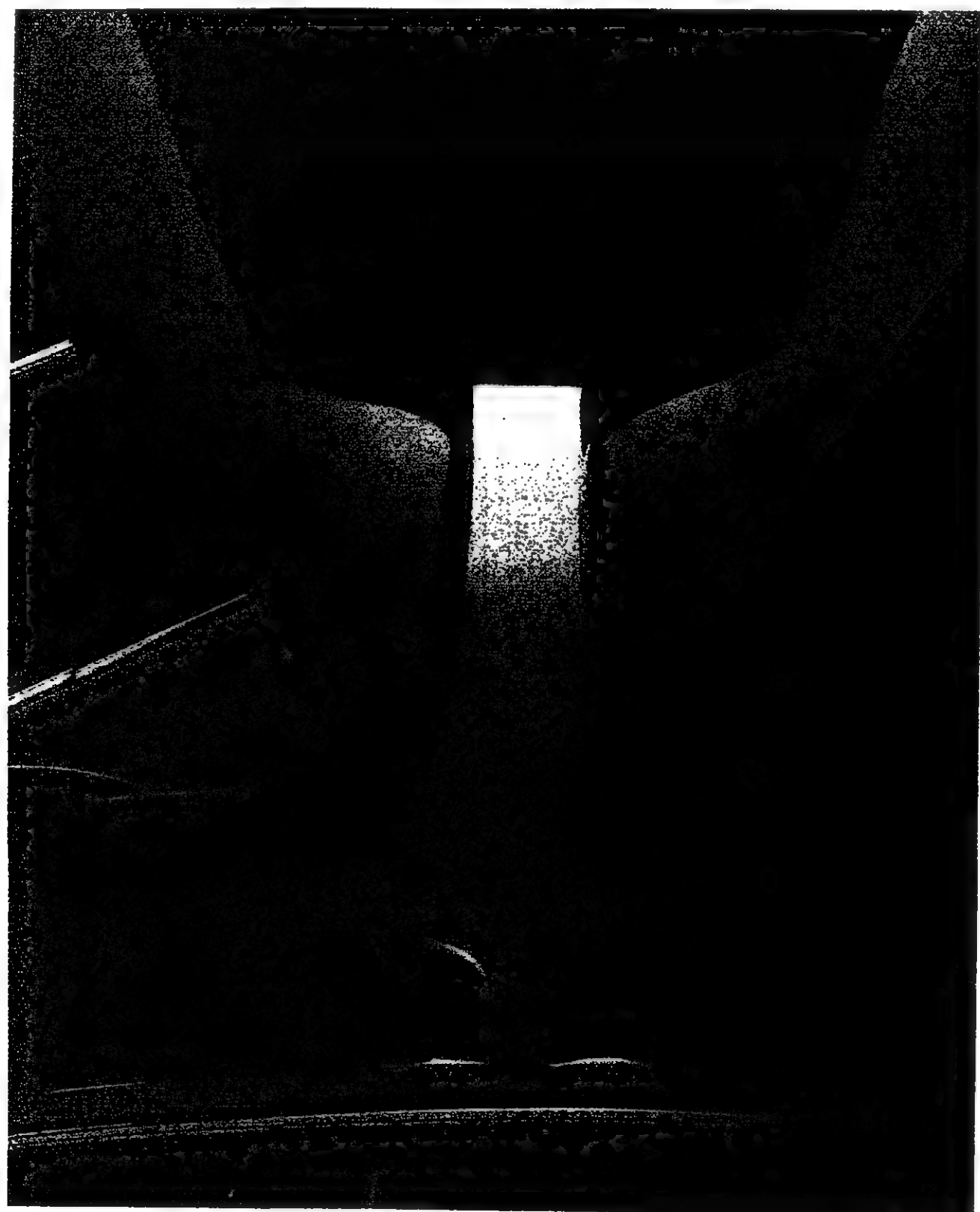
Chicago

Chicago Symphony Orchestra. Sir Georg Solti conducting. Corigliano, Beethoven (Tues). Georg Solti conducting. Bach programme (Thur). Orchestra Hall (435 6666).

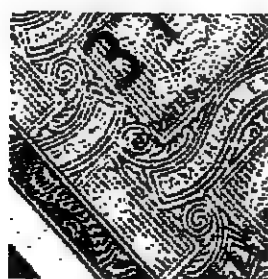
Tokyo

Berlin Philharmonische Solisten. Bach, Beethoven, Mozart. Suntory Hall (Mon) (268 3920). Classical Japanese Music. Koto, Shamisen. National Theatre, small hall (Tues) (265 7411).

WHEN YOU FEEL IT'S TIME TO SPREAD YOUR WINGS.

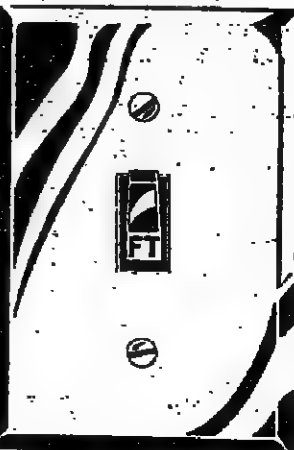


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FINANCIAL TIMES

14 East 60th Street, New York, NY 10022 USA

ARTS

Berio's 'Coro' and 'Passaggio'

HARRISON HALL, RADIO 3

Coro (1975-7), which on Wednesday brought to an exalted close the four-day BBC Berio Festival, is one of the great feats of sustained composition in the second half of this century. It forms, therefore, one of the highest peaks in the Berio canon — a work, massive not just in length and performance requirement, that contains within it a whole world of human experience.

This hour's length of vocal tapestry, for about 40 each of voices and instruments laid out in pairs, is World Music in every sense. In it Berio has woven snatches of folk poetry of many nations (supplied in English, French, Italian and Spanish original or translation) around quotations (small at first, gradually lengthening) from the

magnificently dark verses of Pablo Neruda. As in all of this composer's mature creations the purpose is intellectually sophisticated, the structure substantial and many-layered, the design dramatically handled — and, as always, the "message" is directly, honestly transmitted by the beguiling beauty of the basic musical means.

Coro is built in the form of a song-symphony. Individual voices and their instrumental partners-in-timbre are placed to stand out briefly before being subsumed within the larger fabric: the compositional skill and variety, the command of timing, balance of colours, and mood-change are simply fabulous. The punctuation of "nodal" chords (associated with a particular

motto-line of Neruda, "Come and see the blood in the streets") and the awesome use of architecturally-piled brass writing at carefully defined junctures link this work with the great polyphonic constructions of Berio's Italian antecedents (such as Gabrieli).

What is also essentially Italian about *Coro* — it fixes Berio in his country's grand tradition — is the outpouring of vocal lyricism (set in a voice-enhancing instrumental sheen) as a way of enclosing a vision of human experience. In this case, of human suffering caused by political injustice. In *Coro*, more completely than in any of his other works except perhaps the opera *Un re in ascolto*, the past, present and future seem to be joined in a single

poetic act: it is, indeed, the singleness (born out of amazing diversity) that generates its extraordinary and deeply moving impact.

Coro was performed with marvellous virtuosity by the BBC Singers and Symphony under Berio himself. In the first half a striking contrast was supplied in the form of *Passaggio* (1961-2), the early music-theatre piece (written in collaboration with the poet Sanguineti for La Scala, where it caused a sensation) that was Berio's overture to full opera-creation. This also requires far-flung vocal groups (here placed in the audience and simulating noisy protest) counterpointed by separated choral and instrumental ensembles, and all of it focussed instead upon a soprano in black dress and bare feet

(Luiza Castellani) going poetically potty in a central spotlight — shades of the Protagonists in *Un re*.

The revival of *Passaggio*, brilliantly executed by various BBC forces and students from the Guildhall, proved interesting far less for its well-tried 1960s modishness than for the announcements of the "real" Berio it contains — the exquisite and finely devised instrumental framework, the knack of balance, the ability to create reverberant dramatic images in sound. Between *Passaggio* and *Coro*, the award to Berio of the Evening Standard 1989 Opera Award for *Un re* at Covent Garden gave the whole evening its own special celebratory gloss.

Max Loppert

Hedda Gabler

KING'S HEAD THEATRE CLUB

Ibsen's *Hedda* is a *tabula rasa* on which actress and producer can write what they will: the *belle dame sans merci*, a sphinx both destructive and doomed, from Mario Praz's *Romantic Agony*; the ultimate aesthete who outdoes the young Wilde with her advice to potential suicides that it be beautiful; and Swinburne in Dionysian imagery. She can be Peter's monstrous enigma, older than the rocks among which she sits; or an impotent feminist *manqué*, stifling in the long littleness of a suburban life which allows her only the biological function that disgusts her and denies her the ability to create — enjoyed even by the despised and inferior Thea.

There are signs that Bena Down's production at the King's Head in Islington opts for a heroine with incoherent and bottled-up energy, a vitality with nowhere to go; a physicality that stops short, repelled, at sex.

The part is taken by Elizabeth Quinn who won awards for her portrayal of the dead girl in *Children of a Lesser God* and who herself has impaired hearing. She has a striking, potentially sultry, presence, a strong face. When she grabs her bulkiest old school friend

one understands the other woman's fear: this Hedda has moments of exuding quiet menace.

As yet the words are indistinct. The language is slightly slurred and emerges with what sounds like a faint foreign accent. The care she puts into her speech tends to detract from her emotional expressiveness, and though one can glimpse a characterisation both tough and humorous I feel that this brave attempt is no more than that and possibly ill-advised.

Tim Heywood's set works wonders in the tiny space — what a training-ground the fringe provides for designers — and produces a properly oppressive sitting-room complete with panelled walls and tiled stove (discreetly placed and not hogging the stage, as it did at the National to the discomfort of several actors there).

Hedda may chafe, but her husband is equally imprisoned. Timothy Bentinck plays him with the all too haunting accents of radio's David Archer — not too unsuitable, given the prosaic slyness he makes of Tesman, just believable as the pedant best suited to "sorting out and collating other people's

papers." Margery Mason is a positive Aunt Julia, good at the implied reproach and possibly a bit of a tartar to the unfortunate invalids she enthusiastically tends.

The most interesting interpretation is Richard O'Callaghan's reformed libertine. This Lovborg actually convinces as an intellectual (think of the heavy Bacchic robes who have taken the role); prim, dry, opinionated, he is surely in no doubt about his own cleverness when briskly informing Tesman that he has no intention of competing for the academic post but that "all I want is to outclass you in public opinion." He is Tesman, in fact, without the whimsies, but the performance is not quite in focus.

For compact characterisation we look to Judge Brack. Neil McCann's young, dapper and dangerous man about town is all the more accomplished for replacing the announced actor. We even forgive his (Norwegian provincial) fashion of wearing a broad-brimmed hat with a spiky check suit.



Martin Hoyle Richard O'Callaghan and Elizabeth Quinn

London Mozart Players

QUEEN ELIZABETH HALL

This is becoming a regular cultural crossing. The conductor, Andrew Parrott, made his name in early music, but his concert on Wednesday with the London Mozart Players was only one of what looks to be an increasing number of engagements in the crowded waters of the standard repertoire.

With the examples of other conductors such as a Harnoncourt before us, we can probably guess what to expect. Those who make the journey have tended to bring with them the characteristics that are prevalent at the moment in the authentic movement — a desire for clean sounds and driving rhythms that will sweep aside the sentimentalism, while delivering the whole thing with a spick-and-span accuracy of ensemble.

The London Mozart Players met Parrott's presumably unaccustomed demands with only passing signs of strain. Their chording was snappily clean, rapid passagework nimble, and they even managed to hold on to the conductor's coat-tails as he leapt vigorously about the platform in whirlwind

accounts of the fast movements on the programme. By design, all four of the composers — Mendelssohn, Schubert, Mozart and Bizet — were heard in agile works from their teenage years.

So long as agility was the major requirement, there was indeed some racy music-making to be heard. Both Mozart's blithe Symphony No 27 and the outer movements of Bizet's Symphony in G went with panache. But it does seem almost criminal for a conductor to beat through the heavenly violin theme of the Bizet Adagio with such aggressive rigidity and Mendelssohn's Overture to *A Midsummer Night's Dream* had no mystery or humour.

Still, there was one surprise in store. As a bonus the London Mozart Players invited the audience to meet the conductor and the composer (sic) after the concert in the foyer — a once-in-a-lifetime offer to be sure and I only wish I could have been there to see which of the evening's composers turned up.

Richard Fairman

American Ballet Theatre at 50

Ballet Theatre gave its first performance at the Center Theatre in New York on January 11, 1940. The programme consisted of *Les Sylphides*, staged by its choreographer, Mikhail Fokin; *The Great American Goby* by Eugene Loring with a scenario by William Saroyan; and Mikhail Mordkin's *Voices of Spring* from the repertoire of Mordkin's own company.

The founder of the new company was a young man named Richard Pleasant, who persuaded Lucia Chase, an actress and a dancer in the Mordkin Ballet, to sink her personal fortune into the venture. For the first 40 years of the company's existence, Chase remained as director, together with Oliver Smith.

On January 14, American (the adjective was not added until 1957) Ballet Theatre celebrated its 50th anniversary in a gala performance at the Metropolitan Opera House. From the beginning, selection was proclaimed as artistic policy: "the best that is traditional, the best that is contemporary and, inevitably, the best that is controversial." This was reflected in the programme for the gala, whose weightiest segment consisted of excerpts from three ballets by Antony Tudor: *Jardin aux Hespérides*, *Les Femmes d'Alger*, and *The Leaves are Falling*. They were danced with suitable selectivity, even though it is not easy to carve out excerpts. Even so, Carla Fracci, returning as a guest artist, managed to create something of the perfumed atmosphere of *Jardin aux Hespérides*.

Jerome Robbins, the first important choreographer to have emerged from the

ranks of Ballet Theatre, was reported to have refused to participate personally in the gala, though he sent a greeting. His work was represented by the sailors' solos from his first ballet, *Fancy Free*, and by an excerpt from his version of *Les Nozes*. The first half closed with an excerpt from Agnes de Mille's *Rodeo* and an appearance by Miss de Mille, who spoke eloquently about the company's history.

Earlier, Oliver Smith had paid tribute to the company's founders and to Mordkin, its artistic director from 1980 until last year. Baryshnikov, like Robbins, did not appear; it is well known that his departure from the company was acrimonious. Yet it was clear from this gala that under his direction the general standard of dancing improved tremendously. He refurbished the classical repertoire; he increased the company's holdings of Balanchine ballets, and brought in Ashton's *Les Rendez-vous* and *Birthday Offering*; he took on Kenneth MacMillan and Twyla Tharp as artistic associates, both of whom have made several contributions to the repertoire; he added works by contemporary choreographers, including Martha Graham, Merce Cunningham, Paul Taylor, David Gordon and Karole Armitage. The last-named certainly came under the heading "controversial," as did the presence of Tharp.

The best new work choreographed for ABT since Tharp's *Push Comes to Shove* in 1976 was Mark Morris's *Drink to Me Only With Thine Eyes*, in 1988. For whatever reason, no mention whatsoever was made

of it during the gala. In the second half Tharp introduced a series of brief excerpts from the works she has made for the company, including two one might have been glad not to be reminded of, *Everlast* and *Burnt Rush*, and the latest, still to have its first full performance, *Brief Flings*. In the finale of *Push*, Tharp made a surprise appearance in the Baryshnikov role.

Alicia Alonso somewhat gingerly negotiated the *pas de deux* from Act II of *Swan Lake*, at a tempo that might have been considered slow even by a Soviet ballerina. The evening ended with a quick anthology of codas and other fragments from classical ballets, which gave nearly all the dancers a chance to shine. In the finale, the entire company filled the stage, wearing costumes by designers from Alexandre Benois to Christian Lacroix.

Both parts of the evening were prefaced by film segments that included clips from movies, television programmes and from amateur films shot in actual performance. Fragmentary as these were, they contained most of the best dancing of the evening. None of today's male dancers, for instance, can equal Igor Youskevitch's performance in Balanchine's *Theme and Variations*. Among the speakers, Natalia Makarova again revealed her talents as a comedienne. She also quoted Einstein: "I never think of the future, it comes too fast." However, the company must now look forward to an uncertain, unpredictable future.

David Vaughan

The Caucasian Chalk Circle

SADLER'S WELLS

Charm is an odd word to use of a play by Bertolt Brecht, but it is abundant in the National Youth Music Theatre's production of *The Caucasian Chalk Circle*. The youthful performers are endearingly relaxed on stage; they work as a true ensemble; the play's humour becomes a life force; and the beauty of the designs hangs in the memory.

The designers are two students at Central St Martin's College of Art and Design: Juliet Green and Katie Shanley. Their decor and costumes are deft, suggestive and made with an unusually fine sense of colour. The painted backdrops during the main action are particularly effective: such as the sky-blue cityscape — lit purple at the time of civil disturbances and fires — and the mountain-view like a Chinese version of Cézanne's *Mont St Victoire*.

This production, which continues at Sadler's Wells until January 27, started its life last year at Edinburgh. It employs the musical version by Stephen Warbeck, the translation by W. H. Auden and Tania Stern. As so often, the "Struggle for the Valley" prologue is omitted. Warbeck's score is a minor marvel of stylisation. It nods to Caucasian folk music, to Chinese theatre music and to Brecht's erstwhile collaborations with Kurt Weill. Though the play can have more weight and bite than here, the director, Mark Pattenden, makes it a marvelously fluent demonstration of Brecht's theatrical anti-theatricality.

The characters are all shown as fine mixes of artifice and realism, standing inside and outside themselves. The Gover-

nor's Wife (Michelle Tute), for example, is a vivid caricature of a shrill, scabious bitch, but played with memorably stylised Asian poses. She, like half the supporting characters, wears a face mask that cleverly gives full play to eyes, mouth and jaw.

Everything is carried along at a brisk lick. More mature actors in the leading roles would make every syllable register more firmly, and would manage more subtly the very difficult exchanges between Grusha and Chachava. But very few mature players could switch from speech to song and back again with the blythe dexterity of everyone concerned here; and then dance with such verve and musical accuracy in the finale too.

Emma Brain-Gabbott has real aplomb as the Singer with full assurance in the sometimes exposed high vocal lines. Naoko Mori's innocent sturdiness as Grusha and Byron Callumson's Cockney-sparrow as Azdak deserve praise also. Above all, this is a fine example of ensemble playing. You remember a dozen tiny things, like Shavva (Jonny Miller) leadenly trying to mark time while Azdak sings, or Eliza-beth Price's petulant dialogue as the Sister-in-law, or Philip Halpin's half-ludicrous half-disarming impersonation of the curaceous farmer's daughter, Lodovica. Once or twice in the whole evening you realised that they were remembering their lines. These moments were a testament to the spell sustained otherwise throughout.

Alastair Macaulay

Suspended sentences

ICA THEATRE

The managerial turmoil at the ICA has an apt reflection in the artistic turmoil unleashed in its theatre this week. Responsibility for this this multi-media mess belongs to the Nicholas Treadwell gallery, which has also sponsored the accompanying exhibition lining the Concourse Gallery walls of humanoid figures fashioned from the contents of vegetable racks and cutlery drawers. Both the exhibition and the conception of *Suspended Sentences* are the work of Malcolm Poynter, working with the young director and choreographer Julie Wilson.

At least, when working with the inanimate, Poynter displays some sense of colour and humour — both conspicuously absent from the 50 mulchy minutes of *Suspended Sentences*. This is the avant-garde at its most forgettable, devoid of either charm, originality or any obvious purpose. In a spirit of what one can only assume is defiance, Wilson — responsible too for the soundtrack of distant steam engines, drowned radios and sharpening knives — deprives eye, ear and mind of anything approaching pleasure.

The setting of the show in a wishbone of stage with two principal-looking threads at the axis, panels of perspex along the back arm and a wedge of audience in the middle, enshrines the failure to communicate in the simple physical fact that nobody in the room can see everything; my own position meant that five minutes had passed before I realised the action had begun. In any other circumstances I would have felt deprived.

Claire Armitstead



Bryn Terfel

CRUSH BAR, COVENT GARDEN

Bryn Terfel is only 23 and yet to make his professional operatic debut (due next month, as Guglielmo for WNO), but he came to his lunchtime recital at the Royal Opera House on Tuesday garlanded with awards, and clearly a prosperous future there for the taking. His bass-baritone is a big, imposing sound, sometimes difficult to scale correctly in the long narrow space of the Crush Bar, but already an instrument of depth and projection.

The best portions of his programme were indeed impressive, though whether Terfel will ultimately make his mark as a Lieder singer seems uncertain. While he managed some way from Schubert's *Schwanesong* with great effectiveness — a startling "Der Atlas," surprisingly intimate "Der Taubenpost" — the thread of four songs from Schumann's *Op.39 Liederkreis*

was lost too often, with phrases left dangling and undirected. On the surer ground of Vaughan Williams's *Songs of Travel* and a group of songs that included Ireland's "Sea Fever" Terfel relaxed; the singing gained confidence and the phrasing seemed idiomatic rather than just well schooled.

Some serenades made up the rest, including a truly dreadful example by Ibert the Welsh traditional "Dafydd y Garreg Wen," and Don Giovanni's "Deh, vieni all'finestra" as an encore. Terfel was engagingly delivered, and Terfel has already acquired a winning way with audiences. He will go far, though whether his talents lead him away from the opera house and concert hall and towards television and lighter music remains to be seen.

Andrew Clements

ARTS GUIDE

EXHIBITIONS

London

The Royal Academy, Franks Hall — the great retrospective, already shown in Washington and due to go on to Haarlem, of the work of one of the greatest painters of the 17th century, Dutch school Master of the portrait, he was all but forgotten for 200 years after his death in 1666, and he remains an enigmatic and controversial figure. The Hayward Gallery, The Other Story — an intriguing but uneven survey of the work of artists in Britain since the war of artists drawn from cultures other than that of the western European tradition — weak in its socio-political and historical analysis but often strong in the individual work. Daily until February 4, except bank holidays.

Paris

Le Louvre. The landscape in Europe from the 16th to the 18th century. The exhibition of some 150 drawings by Rubens, Broussais, Poussin, Rembrandt and others retraces the development of two different conceptions of landscape representation with the scientific treatment of perspective favoured in Italy and the more atmospheric one prevalent in the northern countries. Pavillon de Flore, Closed Tues, ends April 22 (4026151). Musée d'Art Moderne de la Ville de Paris. Kupka (1871-1957) or The Invention of Abstraction. The subtitle of the vast retrospective sums up the progress of the Czech-born artist from Vienna-inspired symbolism to

non-figurative canvases where glorious colours acquire a life of their own. 11 Avenue Président Wilson, closed Mon, ends Feb 26 (4723612).

Brussels

Palais des Beaux-Arts. Ludwig Wittgenstein and his influence on twentieth century art. Also photographs of Yusuf Karsh both closed Monday and end January 28. Galerie Joy Brachet, 62 Avenue Louise, works of Joseph Boys. Closed Monday ends February 17. Archives Générale du Royaume. Grand Sablot, commemorates Belgium's short-lived declaration of independence from the Austrian Empire and the subsequent power struggle between France and Austria for control of Belgium. Daily, closed Sunday, ends 31 March.

Rome

Galleria Nazionale dell'arte Moderna. Berndt Thorvaldsen (1770-1844). Sculptures, reliefs, portrait busts and drawings by the prolific and talented Danish artist who spent nearly 40 years of his working life in Rome. Neo-classic in style, his works are heavily romantic, but with a purity and simplicity of line which holds them just short of sentimentality. Ends Jan 28. Braccio di Carlo Magno (St. Peter's). Russian icons. Over 100 icons of superb quality in an exhibition organised jointly by the Soviet Ministry of Culture and the USSR-Italy Association. The icons date from the 13th century to the 18th century. Ends Jan 30.

Milan

Palazzo Reale. Fernand Léger retrospective includes over 150 works — paintings, watercolours as well as book illustrations. Ends Feb 13.

Naples

Castel St Elmo. The conquest of the skies. Aeritalia, the state-owned aircraft company which is part of the Iri-Finmeccanica holding group, has found a novel and imaginative way of celebrating its 20th birthday. In collaboration with the local branch of the cultural heritage ministry, they have organised an exhibition of over 150 works — painting, sculpture and drawings, which offer a ported history of aircraft development this century and give a vivid idea of the grip the early flights had on the imagination of artists such as Bala, Prampolini, Depero, Sironi, and Carrà. Ends Jan 28.

Madrid

Centro de Arte Reina Sofia. Antonio Saura. 70 works by the Spanish artist painted between 1956 and 1988. The exhibition focuses on four themes: Ladies, Crucifixions, Goya's dogs and Multitudes. Ends March 19. Palacio de Velázquez. Art in Latin America. The exhibition analyses the sources and development of art in Central and South America, from the wars of independence through to the present day. Ends March 4.

Vienna

Museum für History. An exhibition of paintings by Arnulf Rader. Intended to be one of Austria's most successful post-war artists, and who recently had

January 19-25

New York

Pierpont Morgan Library. The library's superb collection on Gilbert and Sullivan, including autograph scores and libretti, letters and memorabilia, is the centrepiece of this exhibit, the most comprehensive ever mounted on the Victorian operetta masters with more than 400 items on view. Ends Feb 18. National Academy of Design. More than 160 objects from the Fitzwilliam Museum in Cambridge are making their way round America, giving a sampling of objects and paintings, among them works by Titian, Peter Paul Rubens and Renoir. Under the theme of the increase of learning and other great objects. Ends Jan 28.

Washington

National Gallery. Highlighting this decade's renewed interest in printmaking in America, the 100 prints comprise a special exhibit borrowed from the collection of Joshua P. Smith, among them works from major contemporary artists including Jasper Johns, Richard Diebenkorn and Alex Katz. Ends April 8.

Tokyo

Telen Museum, Meguro. Art Deco in situ. Once known as the Asaka Palace, and built for a member of the imperial family in 1933, this museum has one of the finest art deco interiors in the world. This is a unique opportunity to see areas of the building not normally open to the public, with explanatory panels and art objects of the period.

ORGANIZATION OF HUMAN RIGHTS IN IRAQ

The Organisation of Human Rights in Iraq calls on Freedom Lovers to participate in the demonstration which will be held in the commemoration of the second anniversary of the assassination of Mr. Mahdi Al-Hakim, one of the founders of our organisation. He was assassinated in Khartoum, the Sudan, by the Iraqi regime on 17th Jan. 1988.

Your attendance will grace the occasion and serve as a gesture of support to the Human Rights issues in Iraq, which are constantly violated by the Iraqi Dictator Saddam Hussain.

Time: 13.00 p.m.
Saturday 20th January 1990.

Venue: Speakers Corner (Marble Arch, W1) — the Iraqi Embassy (Queens Gate) SW2.

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An imperial burden

WESTERN LEADERS now claim to have the interests of Mr. Mikhail Gorbachev at heart: they have all concluded that, so far as it is in their power, they should assist him to stay in office. If they are to be friends, however, they must sooner or later be candid ones. In that role, they cannot avoid the conclusion that his efforts to maintain a Union of Soviet Socialist Republics are doomed.

Because western European empires were far flung and the United States never acquired one, the western eye often misses the fact that the Soviet Union inherited and then, after an initial half-hearted effort at decolonisation, extended a Czarist empire the aim of which was to rival and defeat the old Polish, Turkish and Austro-Hungarian empires — all of them built up of adjoining states and principalities. Both the Baltic states (Estonia, Latvia, Lithuania) and the Transcaucasian ones (Armenia, Azerbaijan, Georgia) had tasted brief spells of separate, if dependent, nationhood. The Baltic states had their own wars, the Transcaucasians for a year or two in the early 1920s, before the Bolsheviks succeeded in imposing Soviet rule.

Moslem incorporation

The incorporation of the Moslem peoples was particularly crude. There was little indigenous communism in the Moslem states and communities. What there was was often local leaders choosing the Bolshevik side in the civil war because it appeared to offer more autonomy than the White armies. Once the Transcaucasian and Central Asian Islamic peoples were inside the Soviet net, they suffered a loss of culture and of opportunities for religious observance on a great scale as the European Russians and others.

Of course the Communist Party raised local elites in the Moslem areas: but their representation in the higher reaches of power has always been tiny and token, and is now as low as it has ever been. At a time when the birth rate among the Islamic Soviets is rising very fast, with 40 per cent of all new entrants to the labour force are Moslem and when (on current trends) the Soviet army will draw half of its recruits from Moslem areas by the end of the century, no-one from that culture has a place in the Politburo or an almost wholly Russian-dominated

Communist Party. When Mr Gorbachev speaks, as he still does, of "our common European home," he stirs up two reactions within the USSR, both of them bad for him. Those who do wish to be part of it — the Baltic peoples in particular, but also the Christians and the Moldavians (who are mostly ethnic Romanian), the Georgians — see eastern European countries cutting ties with the Soviet Union as rapidly as possible, and wish to follow suit.

Political underclass

For the Moslem peoples, further east, common European-ness has as yet little resonance. It sounds rather like a Christian/secular union to them, one in which the Moslems are often an underclass, nowhere politically important and forced to see blasphemies like The Satanic Verses freely available. When communism, of whatever kind, ruled from Moscow and enforced its will through local mafias, or grafted it by means of corruption, Moslem sentiment could be kept at bay. A modernising, "democratic" communism has no official recourse to these instruments, except in

name. The Moslem peoples, like the Baltic ones at the other pole of the empire, will not let go of their own way. There does not seem to be any help for this whatsoever. More troops into the Transcaucasus; the evacuation of all Armenians from Azerbaijan and vice versa; the removal of the Armenians of Nagorno-Karabakh from that disputed enclave into Armenia and the handing of the empty land to the Azerbaijanis; the use of UN troops; a joint Soviet-Iranian-Turkish approach to the issue — none of these looks like working.

Mr Gorbachev's next labour of Hercules — it is certainly an open question whether he could ever get the political consensus even to begin it — should be to study a decolonisation programme for his union/empires: one which may be able to transform it into a commonwealth, and which would avoid the inter-ethnic hatreds the British empire left behind its retreat in parts of Asia and Africa. But the central objective is to get to states which regard themselves as real and whose peoples want to stay together. Therein lies what strength the Soviet Union will have in the next century. It weakens itself by attempting to carry the imperial burden further.

Politicians and the banks

THE BRITISH clearing banks have never ranked high in the estimation of politicians. On various occasions they have been accused of political insensitivity in the timing of their base rate rises, profit declarations and pay concessions — no matter that these tend to be a reflection of the government's own monetary policy at the time.

Mrs Margaret Thatcher is no exception to the rule. Since she came to power in 1979 the banks have been subjected to an ill-timed windfall profits tax and a good deal of jaw-boning. So when the Prime Minister is almost comically described by her Education Secretary as "absolutely fizzing with fury" at the clearing banks' decision to pull out of the government's student loan scheme, it is tempting to ignore the incident.

Verbal assault

The verbal assault was, however, reported to have been accompanied by threats of unspecified retribution against the banks. Since the banks were doing no more than putting the legitimate interests of their shareholders before those of the Tory party, the incident deserves more careful consideration.

A system of rewards and penalties for politically acceptable business conduct may be a way of life in the French or Japanese financial markets, but such statist behaviour sits oddly with Thatcherite ideology.

Power of patronage

Rolling back the barriers of the state does not, of course, eliminate the need for direct contact between government and business. Ministers will always exercise a power of patronage in defence contracting: monopoly utilities will inevitably be subject to state-imposed control (though the replacement of ministers by regulators as the instrument for exercising control is a clear

improvement); and banks will always attract political attention because they are at the core of the government's monetary policy. What matters is that the relationship should be transparent and governed by a clear set of rules.

Exploitation danger

Without such discipline the disparity between political and financial values can easily be exploited by agile businessmen. The takeover of an ailing business in a marginal constituency may be insignificant in relation to a multinational company's balance sheet, but hugely valuable to a government with a dwindling majority.

By the same token, a ministerial dispensation to a defence contractor, at no personal or political cost, which amounts to years' worth of ongoing turnover. Thatcherism is much admired outside Britain for its determined assault on the kind of corporate state in which politicisation of the economy leads to an inefficient allocation of resources. But it has not put an end to some curious exercises in ministerial patronage — notably Lord Young's controversial decision to give exclusive purchasing rights over Rover Group to British Aerospace, a company that is engaged in numerous other politically sensitive transactions with government.

Mrs Thatcher's rage at the banks once again points to a contradiction between authoritarian instinct and market ideology; also to the rather paradoxical streak in a government that is baffled and outraged by anything short of total support.

At least the clearing banks will not now come under ideological attack for their profitability. Thanks to the earlier exercise in official prompting, which led to the Latin American debacle, the profits have been cut down to size.

When President George Bush was sworn into office 12 months ago, he was widely seen as a caretaker, inheriting the Reagan legacy of peace and prosperity with few ideas and no agenda of his own.

As he said in his first address to Congress last February, the US is "fortunate — a much changed landscape lies before us tonight. So I don't propose to reverse direction. We are headed the right way."

A year later Mr Bush has proved to be more than a caretaker, at least abroad — and not just because of the intervention in Panama, the US's most domestically popular military action of the post-Vietnam era. He has been forced to develop his own policies to match a rapidly changing landscape overseas as a result of the upheavals in Eastern Europe.

More fundamentally, Mr Bush and his advisers have shed the grandiose view of the country's superpower status of the Reagan years. Instead, they have a more limited idea of the US as a partner, albeit a leading one, both of an economically strong and globally involved Japan and of a resurgent and self-confident western Europe.

The shift in US policy has at times been tentative. This has in part reflected the character of Mr Bush. When faced by television cameras in the Oval Office after the opening of the Berlin Wall on November 9, Mr Bush offered only a mumbling, uninspiring response, while Mr Reagan would have delivered a memorable phrase.

But this public face is misleading since Mr Bush can be more decisive, generally after lengthy consultation, both with his own advisers and with foreign leaders — telephone rather than megaphone diplomacy. Mr Bush has shown a more down-to-earth realism, an invasion of Panama and in keeping open high-level contacts with the Chinese authorities after the Tiananmen Square massacre.

Domestically, Mr Bush inherited a tight budgetary framework and he has had neither the political will nor the authority (in face of a Democratic-run Congress) to break out of this fiscal straitjacket. There has been no real progress in dealing with pressing social problems such as education standards, crime and drugs.

If the Reagan era in part involved a romantic reassertion of American greatness, the Bush years may be marked by a more down-to-earth realism, a recognition of constraints in part themselves created by the 1980s. This is a difficult point at which to assess the Reagan legacy, not least because the former president's reputation has suffered even more than usual in the immediate aftermath of political retirement.

Mr Reagan's privacy, his lack of attention to detail and the bitter back-stabbing within his White House entourage have contrasted unfavourably with Mr Bush's evident competence, a relatively harmonious administration and, not least, his accessibility to the press. Disclosures of sleaze and influence-peddling among Mr Reagan's appointees have further tarnished the memory. Mr Reagan has not helped himself notably during a trip to Tokyo sponsored by a leading Japanese media group when he earned several million dollars.

Yet all this is irrelevant to American conservatives. To them Mr Reagan is the man who made possible all the latest changes. In a recent article entitled "Man of the Decade? Man of the Century?" conservative strategist Jeffrey Bell argued that, "by making democracy vigorous again — ideologically, economically, militarily — he won the Cold War and ended the century-long era in which socialism appealed to popular opinion."

To Edwin Feulner, president of the Heritage Foundation, the most influential conservative think tank, President Reagan reasserted the US leader-

Peter Riddell finds that President Bush is looking like more than a 'caretaker' after 12 months in office

Moving on from the Reagan inheritance

ship role. He challenged the Soviet Union through argument and the US arms build-up of the first half of the 1980s. On this view, the rise in US defence spending, coupled with the Strategic Defence Initiative (the "Star Wars" project), forced the Soviet Union to accept the need for change. In short, the West won the Cold War by standing up to the Soviet Union, by spending them into the ground.

There is perhaps more in this argument, at least in terms of the reassertion of American strength, than is often conceded in Europe. Nevertheless, American conservatives under-rate the contribution of Mr Mikhail Gorbachev as Soviet leader for the past five years. This strangely contrasts with the enthusiasm for him expressed by Mr Reagan and his ideological soul-mate Mrs Margaret Thatcher. They each found they could do business "as history-makers," with Mr Gorbachev. There is a conflict in the arguments of many US conservatives about whether the Soviet bloc is collapsing more because of the strength of the West or because of the inherent weaknesses and contradictions of communism.

If all this — and the new US understanding with the Soviet Union reached in the later Reagan years —

The Bush administration has shed the grandiose view of the country's superpower status of the Reagan years

provides a favourable legacy, Mr Bush has not been able to sit back. He has had to develop his own approach in response both to the changes in the eastern bloc and to the west European reaction to them. After some dithering in the spring, Mr Bush announced a Nato argument about short-range nuclear missiles in Europe by proposing to reduce conventional weapons in Europe to a lower level, involving a much larger cut on the Soviet side. This is the start of a potentially large-scale reduction in US forces across the Atlantic. The Bush administration has also offered support, both political and financial, for internal reform in Eastern Europe and has backed, verbally rather than with money, Mr Gorbachev's perestroika programme — while pushing ahead with wide-ranging arms control talks.

If these changes have been locally driven in the main, the Bush administration has been willing to recognise the need for a new transatlantic rela-

tionship. While President Reagan often appeared impatient with Europe, Mr Bush is understanding — a tireless consulter.

The Bush team acknowledges, if seldom very loudly, that the US can no longer dominate the western alliance. It has to work in partnership with strong allies, not least because of domestic budgetary constraints.

These constraints are the other side of the Reagan legacy. There may have been 86 months of continuous economic growth (though beginning to falter now), low unemployment and modest inflation — "Reagan's Great Expansion" as conservative economist Martin Anderson remarked this week. But this expansion was fuelled by tax cuts and increases in defence spending which pushed up the Federal Budget deficit.

Almost all politicians agree that the deficit needs to be cut further, and personal savings raised, to increase domestically generated investment and reduce the need for foreign inflows. But continued domestic prosperity, and the absence of financial market pressures, have meant that neither the Bush administration nor the Democratic-controlled Congress have been forced to take serious action about the deficit. Everyone has tut-tutted, but this year's Budget on January 23, like last year's eventual package, will rely on a mixture of minor tax changes euphemistically known as user fees, a limited across-the-board squeeze on spending and fudges to meet the statutory target for cutting the deficit.

Yet there is no sense of fiscal crisis. One of the central tenets of the Reagan era — that taxes can be cut almost regardless of the impact on the deficit — has been maintained. American conservatives who have previously been suspicious of Mr Bush have consoled themselves that as president he has stuck firmly to his "no new taxes" pledge.

To some extent, Mr Bush's firmness over taxes is his only significant concession to the disorganised ranks of US conservatives. Pragmatism rules in many other areas of domestic policy such as deregulation and anti-trust policy.

Even on abortion, that other touchstone for the American right, Mr Bush's key advisers are keen for him to play down his views given the defeat of "pro-life" Republicans in last November's governorship elections in New Jersey and Virginia.

Popular opposition to higher/new taxes remains a fixed point of most American politicians' thinking, and was reinforced by last summer's revolt by better-off retired people against paying more to finance catastrophic health care for the elderly. In



practice, lower income taxes have been partially offset by higher social security payroll taxes, which is why the Administration is now so alarmed by Democratic suggestions that these should be cut. So devoted was President Bush to lower taxes that last year's fiercest political battle was over cutting capital gains tax in the hope of stimulating investment, a true supply side cause in the Reagan tradition.

In the absence of new taxes and with the Budget deficit targets applying some squeeze on spending, there are tight constraints on what the president can do — whether overseas or at home. The profligacy of the early Reagan era has resulted in a period of restraint now. Internationally, this has meant that Japan has this month offered much larger financial help than the US to Poland and Hungary, and Tokyo has also made a bigger contribution to relieving Third World debt problems, even of US neighbours in Central America. The shift in financial weight, and potential political power, towards Japan is one of the most pressing issues for the Bush team.

Within the US, the Reagan legacy of cutting domestic programmes has produced widespread complaints about deteriorating public infrastructure, as well as a recent report showing no improvement in already inadequate standards of public education. Unlike his predecessor, President Bush has shown an awareness of these needs.

But given the budgetary pressures, Mr Bush has only been able to make gestures to fulfil his promise of a "kinder, gentler nation" — of being an education or environment president, of fighting crime and drugs. The scourge of drugs, particularly crack amongst blacks and Hispanics in the inner cities, is regarded by American voters as the country's most urgent domestic problem. The Bush administration has produced a drugs package

For most Americans, at any rate those outside the crime and drug ridden inner cities, his remains good. For them, the relative decline of the US is an abstraction. They can afford to look with awe at the heroic events across the Atlantic, not demanding any dramatic response from their president. A year ago Mr Bush was expected to be little more than the manager of the Reagan legacy, the unheroic chief executive officer after the starry-eyed founder. Mr Bush has proved to be more than that internationally, but not so far domestically. By preserving the more optimistic national mood of the Reagan years, his personal opinion poll ratings are among the highest for any recent US president after a year in office. But he has yet to face a significant domestic challenge, or an economic downturn.

Bowing out at NFC

When Peter Thompson, chairman of NFC, was knighted in 1984, his friends knew that whatever the citation said, the honour was for "services to privatisation". For NFC, the UK freight hauling company which includes Pickfords and BRS, was one of the first of the nationalised industries (in 1982) to be hived off into the private sector.

Yet Thompson was and remains a most unlikely champion of the Thatcherite right. Now 62, he announced yesterday that he will retire as chairman of the company at the end of the year. And to hear him talk of the roles and responsibilities of capital and business is to hear echoes of the 1970s debate about the valuable role which worker participation and worker (not trade union) board members can play in corporate success.

NFC, to be sure, was an unusual privatisation. Market conditions as well as Thompson's own preferences determined that it was launched first as an employee buy-out and was only floated on the stock market in 1989. But perhaps that was its attraction.

Thompson maintains that it is the employees' stake in NFC's shares, but also the way in which share ownership is reinforced by employee consultation and participation, which gives the company its special character. He is pressing now for an employee director to be appointed to the board, just as there is a shareholder representative. In part, his views reflect a critical appraisal of the role of institutional shareholders as owners of companies.

On these matters, he seems in tune with Jacques Delors and the supporters of a Social Charter for Europe. One picks up the impression that he would like to champion his causes in the political arena. Could the person who gave him his knighthood for ser-

vices to privatisation allow him to have free rein in another place?

Quiet visit

There was a time when British ministers visiting Bonn aroused some interest. It is no longer automatic. William Waldegrave, junior minister at the Foreign Office and made a Privy Counsellor in the New Year's Honours' List, passed through for talks on Wednesday on his way back from Eastern Europe. He saw officials, not ministers, received not a line in the German press and not a single representative of a German newspaper turned up at his briefing in the British Embassy.

Engagement

Britain's 20,000 professional production engineers have found a new suitor in the Institution of Electrical Engineers. Consummation is confidently expected next year, with the Institution of Production Engineers accepting the name of a learned society nearly twice its age and with over five times its membership.

An earlier courtship of the production engineers by the Institution of Mechanical Engineers foundered partly because they could not agree on a name.

But the pragmatists presently installed as their respective presidents — Frank Turner, the Rolls-Royce director and top manufacturing expert, and Jim Smith, chairman of Eastern Electricity — seem to have agreed that the joint learned body shall simply be known as the Institution of Electrical Engineers.

The close affinity of electrical and production engineers is not widely recognised, acknowledges John Williams, the Electricals' secretary. Yet



"I'm finding with fury over this poll tax demand."

manufacturing today is all about control systems, micro-processors and information technology, not mechanical systems, Williams says. For the under-privileged production engineers, it will mean an elegant new club house next door to the Savoy, with a comfortable bar and one of the most popular lecture theatres in London for the technical community.

Hurd sells out

More on the successes of our distinguished Foreign Secretary and ex-ambur. While in Hong Kong earlier this week, Douglas Hurd was asked by a reporter whether he could design a similar happy ending for Hong Kong's current woes as he has in his book, The Smile on the Face of the Tiger, where China decides after much diplomatic skulduggery not to invade the British colony.

The Foreign Secretary dodged the question, but suggested to the assembled journalists that they should all buy the book so that his

publisher could be persuaded to re-issue it.

First published in 1989 the book, jointly written with Andrew Osmond, has been selling in its 1980 paperback form in its Hong Kong and Hong Kong bookshops. The most enterprising, Hong Kong Book Centre, gathered several hundred into its five shops when Hurd was appointed last October. A few also appeared in Hanoi.

Hurd himself says he is not quite sure where the copies came from, and privately regards suggestions that he should update the book as mischievous, though not without a smile of his own.

Anyway, the shelves in Hong Kong are now bare. One of my colleagues bought the last copy yesterday lunchtime.

Not Lawson

One of the more persistent rumours at the time of Nigel Lawson's exit from government was that he would re-emerge as chairman of Barclays Bank's investment banking subsidiary, Barclays de Zoete Wedd, and understate Barclays' chairman, Sir John Quinlan.

That appears to have been scotched by yesterday's news that the current incumbent at BZW, Sir Martin Jacob, is staying on — at least for the time being. Jacob has just reached the age of 60 and his existing five-year contract expires at the end of June. He has agreed a new contract with Barclays, although one without a set time limit.

Type cast

From a California college magazine: "While we were at the zoo our small daughter made friends with an aardvark. Despite its forbidding appearance, it proved to be the gentlest of creatures and seemed as though it would not hurt a fly." As they say, aardvark never killed anybody.

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POLITICS TODAY

Counting minutes to the year's end

By Joe Rogaly

Mrs Margaret Thatcher's government is beginning to hate 1990. It longs for 1991. Everything will be all right then, her Ministers tell themselves, if only we can get through this ghastly year.

Take last night. The Conservative backbench revolt was unpardonable enough. What was worse was the perception that the rebels wanted one thing: more money. Their demand was for a larger centrally-funded tribe to ease the local poll tax through. What of all was the sick feeling that the tax may have been the greatest political mistake of the late 1980s. This is true democratic justice. Most of the losers are Tories; many of the losers are likely to become ex-Tories. We shall know more about this after the local council elections in May. The extent of Conservative concern is clear from the observation of one member of the Cabinet that perhaps the voters will hardly notice the effect of the community charge, since they are already hit so hard by high mortgage rates and rising inflation. He might have added that by May some of them might have been hit even harder by the March Budget.

The more substantive fear is that inflation may not in fact be wrestled to the ground during 1990. Nobody knows what will happen to wages in the private sector, the Ford unions are using the argument that the 10 per cent-plus offer from the company is insufficient to compensate motor workers for high mortgage payments. That is what happens to Governments that base their political strategy on the creation of a property-owning democracy and their economic strategy on interest rates.

In the public sector, the ambulance workers have demonstrated that unions can now produce an unexpectedly telegraphic style of leadership, thus attracting a degree of public sympathy that some of Mrs Thatcher's colleagues thought had vanished with the 1970s. There is no way of winning this one: the Government has to stand pat, as would any employer, on a final offer. The price of this necessary firmness will therefore have to be paid, probably in the form of continuation of the general suspicion that the National Health Service is not safe in Mrs Thatcher's hands. No wonder the Labour Party loves the dispute.

Meanwhile, the Prime Minister's grand strategy is in danger. Consider Mrs Thatcher aims to project the Conservative Party as the one that has made Britain's economy so strong by fostering private enterprise that it can now afford to improve the quality of public services. The demand for an ever-improving National Health Service, better schools, and a cleaner environment will be met in the next Conservative manifesto.

It will not be easy to project the NHS part of such a manifesto, even if the ambulance dispute is forgotten by then. For the next year or so will be taken up with an attempt to implement the Government's proposed reforms of the health service, against the predictable opposition of much of the medical profession. The Minister

in charge, Mr Kenneth Clarke, has not so far shown an aptitude for the necessary emollient. Everyone who knows him likes him as an individual, but the Labour Party likes him most of all as a political opponent.

The new Education Secretary, Mr John MacGregor, is the opposite of Mr Clarke. He sees his role in life as to go around, extending reasonableness. But the Tories seem to have run out of fresh ideas on education, following the Herculean efforts of Mr MacGregor's predecessor, Mr Kenneth Baker. Mr Baker gave us the new core curriculum, the opportunities for schools to become self-governing, the move to a student-based method of channelling public funds to universities and many other novelties.

Mr MacGregor's task is to make these ideas work. Student loans are proving awkward. The commercial banks will not administer them, so he now has to found the MacGregor Bank. This will be the Thatcher Government's first creation of a state-owned financial services company. As to the rest of the Baker legacy, if Mr MacGregor keeps his head down, he should have the entire machinery in fairly good condition and winning parental approval by, say 1997 - if he, and the Conservatives, are still in office by then. What Mr MacGregor is not doing is thinking about any further fundamental reforms of education, to follow Mr Baker's. That is not how he sees his job - although I am glad to say that he does seem to understand that he will fulfil his present function reasonably well if he extracts more money for schools from the Treasury this autumn.

That leaves the environment. Last summer, shortly after the Green Party surprised us all by its relatively good showing in the elections to the European Parliament, the strategy seemed easy. Move the unpopular Mr Nicholas Ridley out of the Department of the Environment and replace him with the cheerful, undeniably Green, Mr Chris Patten. This was done. We can now see the soap. Mr Patten might as well be a friend of the earth, but the times, and many of the Tories, still have to be Mr Ridley's. There was so much left behind. Mr Ridley's successor might have revoked authority for a new town or two, saving a greensward here or there, but it has become Chris Patten's privatisation of water; Patten's



poll tax revolt, Green Chris's dismemberment of the Nature Conservancy Council, P's polluted beaches.

To his credit, Mr Patten has made the best of what had to be a bad job. He has nearly put the Nature Conservancy Council together again, by giving it a co-ordinating committee, he clearly did not regard it as worth the necessary political blood to revoke the scheme altogether. The Environment Protection Bill, which received its second reading in the Commons on Monday, sets out to control pollution and fine litter louts. It is essentially Mr Ridley's bequest, but it was introduced in Mr Patten's tone of sweet reasonableness, and partially saved by the unconstructive petulance of Mr Bryan Gould's speech on behalf of the Labour Opposition.

The most telling opposition speech came from Sir Hugh Read, the Con-

servative chairman of the Select Committee on the Environment, who described the weaknesses of Her Majesty's Inspectorate of pollution (HIMP), which is understaffed, understaffed, and beset by morale problems. Yet without a forceful HIMP much of the bill is meaningless. Sir Hugh also drew attention to the formula demanding that firms should abate pollution by using the "best available techniques not entailing excessive cost" - a bureaucrats' and lawyers' let-out charter if there ever was one.

Mr Patten, who gives the impression of agreeing with much of what Sir Hugh said, did score a notable improvement on Ridley-plus by promising that there will be full disclosure of the raw data provided by companies; we must give him the benefit of the doubt when he says that the caveat, "subject to the needs of com-

mercial confidentiality" will be closely defined and not misused.

There was much doubt about that full-disclosure clause in Whitehall. The Environment Secretary won it when the Prime Minister backed him. The key question between now and Easter is, will Mrs Thatcher back Mr Patten in his first truly post-Ridley task? This is to be his preparation of a definitive statement of Government policy on all aspects of the environment, from litter to greenhouse gases. It is seen in the Department of the Environment as something that should set the lines of environmental policy for the coming decades in the same way as the wartime Beveridge Report set the foundations of post-1945 social policy.

In Downing Street it is seen as a runner for centrepiece of a quality-of-life election manifesto. The Prime Minister is chairing a special cabinet committee to debate the proposals that are coming up, and there lies the rub. She is genuinely torn. Part of her is all Patten: go for target reductions in the emission of carbon dioxide from motor cars and power stations, extra energy to reduce its use, put in a new regulatory framework for electricity generation, make environmental audit an essential feature of public-sector management everywhere (following the example now set by the Environment Department), perhaps even set up an Environmental Protection Commission, at arms-length from government, that would take in HIMP and the National Rivers Authority.

Another, conflicting, part of the Prime Minister's make-up reflects the view put by the nonpareil Tory MP Teresa Gordon on Monday, that measures "should be industry-friendly, as well as environment-friendly." This is not hard to counter: you just point out how cash-friendly the German and Japanese manufacturers of clean-environment products have found greenery to be. A third strand of Mrs Thatcher's psyche is perhaps the predominant one right now: political caution. People like Mr Kenneth Baker, the party chairman, Mr Cecil Parkinson, the Transport Secretary and even, I gather, Mr Peter Walker, the Secretary for Wales, have warned her against anything that adversely affects motorists. That is why an excellent road-use pricing scheme, generated by her own Policy Unit, seems to have been smothered. Mr John Wakeham, Energy Secretary, must regard the privatisation of electricity as of greater moment than plans for reducing its use, by conservation, or increasing its cost, by taxing it.

Few of the above proposals are thought to be voter-friendly. In the current pre-election mood Mrs Thatcher is therefore as likely to come down for caution as she does for a serious environmental policy. All Whitehall is betting for her ear. The argument is on now; the results will be written up, partly by Mr Patten himself, during the summer for publication in September. We will then be able to see the colour of the courage she is, or is not, showing during the politically awful first months of 1990.

LOMBARD

Rewriting the NHS rule book

By Michael Prowse

FOR THE PAST 40 years, almost everybody in Britain's National Health Service has regarded himself (or herself) as a provider of health care. The managers of district health authorities have not, of course, been wrapping bandages or performing operations. But they have still been employed on the production side of health care because their task has been to manage producers - the doctors and nurses. If the Government's proposed legislation survives Parliamentary scrutiny, this homogeneity will soon be a thing of the past. The plan is to spin off as many hospitals as possible as "self-governing" trusts. Health authorities, stripped of their productive capacities, will become purchasers of care.

In the past year, the provider role has grabbed the limelight. The powers and responsibilities of self-governing hospitals have been debated at length. So have the conditions of service of general practitioners, the providers of primary care. But the challenges confronting health authorities in their new guise as purchasers of care have received little attention, perhaps because they warranted so little space in last year's white paper. This is a curious ordering of priorities because the success of the health reforms will depend largely on health authorities' skill as purchasers of care.

The potential advantages of the purchaser/provider split were emphasised by several speakers at a conference organised this week by the National Association of Health Authorities. Managers, for example, will have an opportunity both to reassess the health needs of their resident populations and to decide how best to meet them. If they listen to directors of public health (previously an underrated speciality in the NHS) they may put more resources into preventive medicine and less into high-tech acute surgery. They could also promote under-resourced services such as care of the disabled and mentally ill. In drawing up contracts with providers they could insist that hospitals adapt to the needs of patients rather than vice-versa: for example, start meeting demand

for home births. But if the purchasing authorities are to become effective "consumer advocates," various conditions must be fulfilled. In the first place, they must be in a strong bargaining position relative to large providers. Dr Chris Ham of the King's Fund College told the conference that authorities should try to establish the kind of relationship with provider hospitals that Marks & Spencer enjoys with its network of suppliers. Yet it must be doubtful whether such paternalistic relationships will be possible. The danger is that purchasing power in the reformed NHS will be far too fragmented.

The problem is not just the existence of nearly 200 small health authorities, but the fact that ministers are also keen on devolving budgets to general practitioners. This week, the Health Secretary claimed that hundreds of family doctors, covering up to 5m patients, had expressed an interest in budgets. The cash for these mini-budgets will be siphoned off from district authorities' allocations. Yet does anybody believe that hundreds of isolated GPs will be well placed to extract good terms from the likes of Guy's Hospital in a competitive health care market? If the consumer is to be well served, it might make sense to abandon the idea of GP budgets and start merging district health authorities.

Larger authorities would have the muscle to extract good terms from providers. But this will not help resolve a deeper dilemma. These bodies will be run by wholly undemocratic boards of directors whose only allegiance will be to higher tiers of NHS management. (Local authorities' right to nominate members has been scrapped.) They will have strictly finite resources yet be required to give everybody access to "a comprehensive range of high quality" services. How will they justify their decisions about priorities? The purchaser/provider split, by making resource allocation decisions more transparent, seems bound to bring politically explosive issues of fairness and equity bubbling to the surface.

LETTERS

Why the crown and Lords are the envy of others

From Mr Ian Jenkins.

Sir, Joe Rogaly ("Time to hang up the royal hat," January 12) is now propagating republicanism. But British intellectuals who embrace republicanism do not seem to realise what they are prepared to sacrifice. For instance, my brother imports British chocolates with the Queen's coat of arms on the package, and they do a brisk trade. Has anyone calculated the economic benefit to Britain of these royal badges of approval? I am prepared to bet that this pays for

the Civil List many times over. The important thing is to have a constitution that works and that minimises abuse of power. The US is admired as a country with an ideal constitution, but that constitution is now emerging as a failure. It has produced much paralysis in government. US society cannot develop and huge problems are being postponed indefinitely. Since 1980 the US has largely been governed by the Federal Reserve Board, a completely unelected body.

What is needed is a check

that does not hamper normal executive work, but which operates in extreme conditions. The monarchy is well-suited to this task. Britain needs a written constitution, if only to define in what circumstances the sovereign is entitled to act independently. The sovereign's specific role would be as a guarantor of the constitution and as a leader of bipartisan national security work. The House of Lords has evolved into a splendid institution, which could never have been invented. None of the

electoral upper chambers in Europe comes close to it in prestige and influence, precisely because the Lords is an unelected body of retired luminaries.

It is strange that some British intellectuals would like to get rid of their monarchy and institutions just when several central European countries would like a constitutional monarchy, but cannot find a way to bring it about. Jan Salonen, Lilla Ullmanns IB14, SF 00960 Helsinki, Finland

Ways and means of retaining valued staff

From Mr R.J. Jeffers.

Sir, Michael Dixon ("How restrictive can contracts be?" January 12) notes the Peter Henderson case, where the Court of Appeal granted the employer, the Evening Standard, an injunction restraining Mr Henderson from working for a rival during the period of his notice. The employer was prepared to pay salary during this period although he was not obliged to work. He is, however, on garden leave.

However, employer euphoria on this case was subsequently tempered by another Court of

Appeal decision (Provident Financial Group and Harvard), where the court, in reviewing the Henderson case, concluded that an injunction would not be granted to enforce garden leave arrangements where there is no real prospect of serious or significant damage to the employer from the employee joining a third party in breach of his obligation to give notice. The employer's remedy in damages remains. Nevertheless, all is not lost for the employer who wishes to retain staff. Methods commonly adopted range from

post-termination of employment restrictive covenants (covenants that come into play after the notice period has elapsed) to share options, deferred cash schemes or other forms of "golden handcuffs" and to taking practical steps to prevent the leak of trade secrets or confidential information. There is much the employer can do to protect his legitimate trading interests although the courts will not help him go further. R.J. Jeffers, Barrington House, 59-67 Gresham Street, EC2

Plea answered

From Ms Janet Adams.

Sir, Skilnet has good news for Mr Mahtar Samba, co-ordinator of Tower Hamlets Afro-Caribbean Association. Alan Pike's article ("Locked into a lifestyle under siege," January 6) on inner city life in the borough contained a plea from Mr Samba for a well-planned access scheme combining good quality training with commitments from employers so that local people could share in the full range of job opportunities in Docklands.

At our local centres in Docklands customers can receive objective advice, access and referral to training opportunities. We are working with employers to demonstrate the advantages of recruiting local people and to increase the number and range of jobs. More than 50 per cent of customers using our Poplar centre in Tower Hamlets are from local ethnic groups. Janet Adams, Manager, Skilnet Centres, Suite 5, Bsnign House, Admirals Way, Waterside, South Quay, E14

Son Sann, Sihanouk and the Khmer Rouge

From Mr T.C. Dodds.

Sir, Your leading article ("Cambodia's Gordian knot," January 10) talks of "Pol Pot's Khmer Rouge Group" being supported by the West. This is not quite true.

The Khmer Rouge is one part of a coalition called the Khmer People's National Liberation Front - the Cambodian group in exile which is recognised by the majority of

United Nations Members. Mr Son Sann, Prime Minister of this coalition, is certainly not a Khmer Rouge man. All with knowledge of the situation know that the supporters of Mr Son Sann and Prince Sihanouk for centuries have been those who support Pol Pot.

One of the problems, to which Mr Son Sann has repeatedly drawn western attention, is that the West refuses to sup-

port the Son Sann and Sihanouk forces with arms. It gives only humanitarian aid. In their fight with the communist Vietnamese-installed government of Hun Sen, Son Sann and Sihanouk have to rely mainly on the Chinese-armed Pol Pot forces for military support. T.C. Dodds, Valley Farm, Tetworth, Sandy, Bedfordshire

Personal pensions: a 'master-stroke' but time is needed

From Mr B.H. Shaw.

Sir, I was surprised ("The Long View," January 8) to read such a doleful critical attitude to personal pensions as that of Michael Prowse. I declare a vested interest because my firm has marketed these products successfully, but they are successful because they have merit and appeal.

It is unusual to read in the FT such an extolling of the virtue of public sector provision of benefits compared with alternative provision by the

private sector. Which system will prove the better? Time will tell, but I know where I would prefer to put my money.

The state earnings related pension scheme (Serpe) works only on the basis that future pension benefits will be received as promised by way of National Insurance contributions paid by future employees and employers. Private sector personal pensions work on the far better basis that current NI contributions are invested for years ahead to the benefit of

the individual (and the economy). Good final salary occupational schemes are all very well for those who belong to them, and personal pensions are not really intended to compete in this area. But millions of employees are not so fortunate. Personal pensions have greatly enhanced awareness of the need to save for retirement, and we are having a good deal of success in persuading individuals of the advantage in adding contributions of their

own - which is what is really required.

I believe personal pensions will prove a master-stroke and future generations of pensioners will have cause to be grateful to Norman Fowler. To make anything work properly we now need at least 20 years without substantial change in pensions legislation. B.H. Shaw, General Manager & Actuary, Britnig Assurance, Moor Green, Moseley, Birmingham

GE gets even in the battle of the big fans

Paul Betts assesses the likely impact of a new contender in the jet engine market

MR BRIAN ROWE, head of General Electric's aircraft engine business, reflected the US group's ambitions at the Paris Air Show last summer when he said: "At GE we don't get mean, we get even."

He did just that this week when he unveiled GE's plans to develop the world's biggest commercial jet engine at a cost of \$1.2bn-\$2bn. Called the GE90, the engine will have a 120-inch diameter fan, equivalent to the diameter of the fuselage of a Boeing 737.

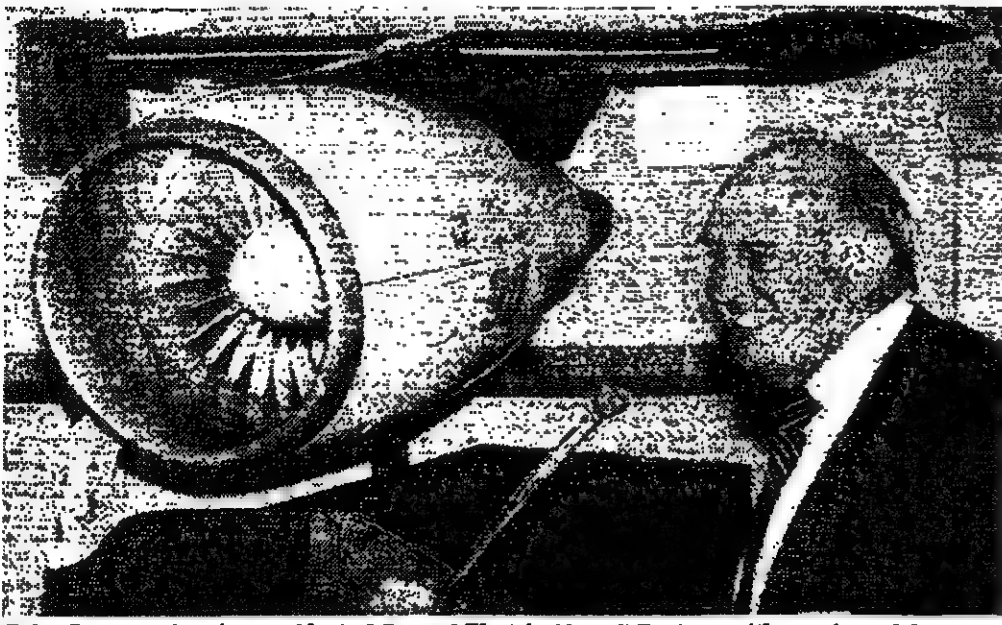
GE's long-awaited announcement heralds an intense industrial battle, even by the traditionally fiercely competitive standards of the commercial aerospace business.

Although there are only three players in the field - GE and its American rival Pratt & Whitney on one side of the Atlantic and Rolls-Royce on the other - the stakes are huge - a slice of the multi-billion-dollar market to power the new generation of large wide-body medium and long-haul jetliners.

GE estimates there will be a demand for about 2,500 new wide-body aircraft in the next 20 years which will represent a potential market worth \$100bn for powerful big fan engines.

Competition will nevertheless be intense both among the three engine makers and the three aircraft manufacturers - Boeing which is about to launch the \$4bn development programme for its new 777 wide-body twin, Airbus with stretched derivatives of the A-330/A-340 family, and McDonnell-Douglas with a planned stretched version of the MD-11.

Until now, Pratt & Whitney and Rolls-Royce appeared to have an edge over GE because they claimed they were able to meet future market demand for big engines capable of producing up to 90,000lb of thrust or more by developing derivatives of their



Brian Rowe, senior vice president of General Electric Aircraft Engines, with a scale model of the new GE90 unit

current large engines. The RB211-534 Trent in the case of Rolls-Royce and the PW4000 series at Pratt & Whitney.

GE now claims it has turned the tables in its favour by its decision to develop an all-new engine with its French partner Snecma as well as MTU of West Germany and possibly a Japanese partner.

GE had little option but to invest heavily in a new big-fan engine. But it believes it is setting an industry standard with the GE90 and the competition will be forced to follow by developing expensive engines of their own.

Rolls-Royce does not share this view. It claims GE has had to invest in a new big-fan engine because its current CF6-80 series could not be pushed any higher. Rolls-Royce claims it can develop 90,000lb thrust engines using the existing core of its big Trent engine. Since the Trent is already

COMMERCIAL JET ENGINE ORDERS/DELIVERIES				
	Firm Orders	Deliveries	1989	1990*
GENERAL ELECTRIC				
CF6 Series	309	266	255	300
CFM56	596	557	550	550
PRATT & WHITNEY				
PW4000	296	33	75	145
PW 2037	168	44	55	50
JT8D	-	288	322	310
ROLLS ROYCE				
RB211-524 Series	173	54	19	80-85
RB211-535	176	42	55	65-70
Ty	240	140	137	145-150
V2500	324	-	20	30-35

under development at the cost of \$600m with four other partners, including two Japanese companies. Rolls-Royce believes it has time on its side over both GE and Pratt & Whitney, which has yet to

unveil its plans to develop a big thrust derivative of its PW4000 series. The UK group believes timing is crucial. It says if an engine is first on an aircraft, it usually gains the market lead-

ership for that programme. This has been the case of the Boeing 757 twin-engine jet. Rolls-Royce was first on the 757 with its RB211-535 engine and claims it now has 60 per cent of the 757 engine market.

Thus, all three engine manufacturers are anxious to be first on the new Boeing 777. "If we all have an even start on an aircraft programme, we usually achieve about a third of the market for that engine," a Rolls-Royce official said. This has been the case with the Boeing 747-400 which was offered with engines from all three engine makers.

It was Rolls-Royce's decision to go it alone in the big engine market in 1986 which added a passionate element to the new battle of the big fans, as it is already dubbed by the marketplace.

Rolls-Royce and GE agreed in 1984 to co-operate on both larger and medium-sized engines. But when Rolls-Royce felt that it, rather than GE, had the engine core capability to go to higher thrust levels, it decided to go its own way and clinched the British Airways order for the UK carrier's new Boeing 747-400 fleet.

With the kind of money the airline and engine makers are prepared to put in, the battle is likely to be epic.

Lufthansa has selected General Electric's CF6-80C2 engine to power 41 of the airline's Boeing 747-400 wide-body jets in a \$1m transaction, GE said on Wednesday. AP reports from Evendale, Ohio.

The deal is in addition to the 15 GE-powered Boeing 747-400 jets that Lufthansa had already ordered. Five of those have been delivered.

With the new order, Lufthansa operates or has commitments to operate 76 wide-body jets powered by the CF6-80C2 engine, GE said.

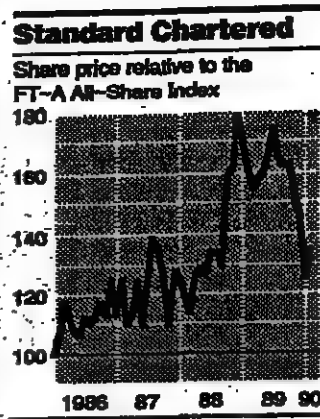
The case for more bank withdrawals

If the lucky UK clearing banks which have sold the Yorkshire Bank to the National Australia Bank were really interested in maximising shareholder value they should pass on their windfall profits directly to their shareholders in the form of a special dividend. It is a racing certainty they will not. Similarly Standard Chartered's new management team, whose credibility has been dented by yet another profit warning, should pay Standard up for sale. The Yorkshire Bank auction has proved yet again that banks are worth far more as takeover targets than as going concerns, and Standard Chartered is proving yet again that banks are often better at finding ways of losing money than at making it.

There is no doubt that Yorkshire Bank is a clean and well run bank. But its profits growth is slowing and there is no obvious reason why a bank from the other side of the world should be able to improve on its superior profitability. However, there seems to have been no shortage of bidders willing to pay close to three times book value for the privilege of buying a bank with a dominant position in one of the more depressed parts of the UK economy. NAB did get a bargain when it picked up Clydesdale and Northern at a 30 per cent premium to book, but its own shares are as lowly rated as the UK clearing banks. Its shareholders may wonder whether they are going to be hit with yet another rights issue to satisfy management's grand ambitions.

As for Standard Chartered, its problems seem as intractable as ever. It needs more capital, its profits are erratic and it does not have a strong UK base. A takeover would probably have happened a long time ago if the management had been big shareholders.

Standard Chartered's share price relative to the FT-All-Share Index



from sterling depreciation. Unit labour costs rose 9.5 per cent year on year in the third quarter, compared with a 3.9 per cent annual increase only two years earlier. Productivity growth between the three months to July and the three months to October was only 0.1 per cent; manufacturing productivity actually fell over the same period. Such statistics make a sharp decline in the trade deficit rather more difficult to achieve.

It is hard to dispel the spectre of stagflation. Unemployment may still be slowly falling, but manufacturing industry is continuing to shed labour. Given that the number of vacancies is dropping at an increasing pace, the signs are that the labour market is moving into over-supply. That is unlikely, however, to have a moderating effect on wage demands until much later in the year. Something has got to give and it looks likely to be UK company profits.

Markets

As so often when confused by the big picture, the London market has reverted to slavish dependence on Wall Street. The near-50 point fall yesterday morning was due not to the further weakness in gilts - though that was bad enough - but to an unsuccessful attempt to guess how Wall Street was going to open. The snag is that Wall Street has reverted to its own nasty habit of moving decisively only at the very end of trading, long after London's close.

For those looking to institutional liquidity to restore London's sense of purpose, yesterday brought an unsettling statistic. In last year's third quarter, the UK institutions were net sellers of UK equities for the first time since the mid-1970s. The liquidity of the pension funds rose by £1.6bn; this was exactly matched by their £1.6bn sales of UK com-

pany securities. Overall, the institutions were also sellers of £1.5bn worth of gilts - a source of liquidity likely to dry up with the ending of buy-backs.

Mountleigh

It will be a long time before the new Mountleigh settles down into something sober UK fund managers feel entirely happy with. Investment bankers have been beating a path to Mr Nelson Peltz, the Lexington Avenue junk bond raider who became chairman in November, with two or three sensible proposals each week. In addition, Mr Peltz expects some large-scale property sales by mid-summer, perhaps more than the £120m Mountleigh reported yesterday for the six months to last October.

It now turns out that McKinsey is looking at Galerías Preciados, Mountleigh's Spanish store for chain, accounting for about 25 per cent of the group's £20.4m interim pre-tax profits; and until McKinsey reports at the end of March, no final decision will be taken about GP's future. So we can expect some uncertainty, inevitably confusing figures, and probably little in the way of solid institutional support for the shares.

But is this a worry? On last night's price of 157p, Mountleigh is on a discount of 28 per cent of its 1989 net asset value of 235p; but since only about 2 per cent of its properties are in UK offices, the true NAV may be around 270p. This is by no means a reckless investment, and institutions should have fussed much more at the way Mr Peltz got control without a full bid, but in a sense that is history, and Mountleigh has become an entertaining speculation.

Ferranti

Anyone who thought the bad news was already in Ferranti's share price was swiftly disabused yesterday. After its 30 per cent drop in response to Thomson's withdrawal, the stock is now within 1p of the forthcoming rights price of 25p. The issue now looks certain to take place; it is also pretty certain to be left with the underwriters. There seems little reason for shareholders to stamp up when Thomson, like British Aerospace before it, has found Ferranti the less appealing of the more it has delved into information not available to its owners. Nor is it obvious why any other suitor choosing not to move before the rights issue should do so after it.

Hungary, Poland call for Soviet pull out

By David White, Defence Correspondent, in London

THE reformist Government of Hungary and Mr Lech Walesa, the Polish Solidarity leader, both joined Czechoslovakia yesterday in calling for an early and complete withdrawal of Soviet forces from their countries.

The three countries are the only members of the Warsaw Pact, apart from East Germany, where the Soviet Union has stationed troop formations. Czechoslovakia has already started negotiations with the Soviet Union on its call, first made last month, for complete withdrawal by the end of this year.

Moscow had until recently some 65,000 troops in Hungary, 90,000 in Czechoslovakia, 40,000 in Poland, and 380,000 in East Germany.

Moscow last year began pulling back some forces under Soviet President Mikhail Gorbachev's plan for unilateral force reductions. Total withdrawal from Hungary, which

unlike East Germany and Czechoslovakia does not directly face Nato, has been mooted for some time.

However, yesterday's Hungarian statement, made at a press conference by Mr Ferenc Somogyi, State Secretary at the Foreign Ministry, was the first clear demand for a deadline. There were no reasons, political or military, to justify the stationing of foreign troops on Hungarian territory, Mr Somogyi said. The Government was striving for complete withdrawal either this year or in 1991 at the latest.

Mr Lech Walesa, leader of the movement from which the present Polish Government was formed, also demanded full withdrawal, setting the end of this year as a deadline and making it a condition for improved relations between Warsaw and Moscow.

A spokesman for Mr Walesa said the Solidarity leader made the demand in a meeting in

Gdansk with Mr Vladimir Brovikov, the Soviet Ambassador to Poland, who invited him to visit Moscow. A meeting was "envisaged" with Mr Gorbachev.

Western experts believe that rapid withdrawal from Poland poses considerably greater problems from Moscow than the demands from Prague and Budapest. It would be hard for Soviet military to maintain a large force in East Germany without troops in Poland to protect its lines of supply.

Mr Gregor Gysi, the East German Communist Party leader, has proposed a withdrawal of stationed forces from both East and West Germany by 1990.

This coincides roughly with Moscow's stated intention of returning all foreign-posted forces back to the Soviet Union by the next century. However, to leave the central front in East Germany would require a total reappraisal of Soviet security interests.

Experts also pointed out that the negotiations with Prague were taking place in a legal context that made the situation of Soviet troops in Czechoslovakia distinct from that in other Warsaw Pact countries.

Soviet forces were withdrawn from Czechoslovakia after the Second World War and returned with the invasion by Warsaw Pact troops in 1968. The two countries' bilateral treaty of "friendship and co-operation," dating from 1970, was in any case coming up for renewal this year.

Gen John Galvin, Nato's supreme commander in Europe, meanwhile played down the importance of Soviet unilateral withdrawals now under way. "They have lots left and they're still the strongest air and ground power in the world," he told ABC television yesterday.

Other East European news, Page 2

Markets fall amid pessimism

Continued from Page 1

pushed the FT-SE index down by almost 50 points at one stage. Analysts said doubts over whether the US Federal Reserve would be able to ease monetary policy combined with poor company results and a shaky US bond market to depress equities.

"There is a creeping erosion in share prices, and there is some to come," in Britain and the US, said Mr Ian Harwood, head of international research at Warburg Securities in London.

In London, a one point fall in gilt prices - the second in two days - revealed investors' worries that interest rates might be raised.

City concern about inflationary pressure in the country was the outcome of the devalued Ford Motor Company pay talks.

UK gilt prices have also been taking their cue from Japan, where a rise in short-term interest rates is expected to precede the elections on February 18.

"Bond markets in Europe are dancing to the tune of Japan," said Mr Harwood.

The decision by Thomson-CSF not to bid for Ferranti, the electronics company, put more pressure on a weak market discouraged by UK company results so far this year.

Only two stocks moved up in price yesterday, confirming analysts' opinion that the all-time stock market high of 2483.7 a fortnight ago was a false dawn of the new year.

"What baffles me is why the equity market went up at all," said Mr Simon Briscoe, gilts analyst at Midland Montagu.

The equity market is now catching up with the bond market's assessment of 1990 so far - which is pretty desperate," he said.

Share prices also closed lower in Paris, Frankfurt, Zurich, Brussels, Stockholm and Amsterdam but finished with fractional gains in Milan.

South Africa hints at end to ban on ANC

By Jim Jones in Johannesburg and Nicholas Woodworth in Lusaka

SOUTH AFRICA hinted strongly yesterday that it would soon recognise banned political parties, paving the way for formal constitutional talks.

Mr Kobs Coetsee, the Justice Minister, speaking in Cape Town yesterday, hinted strongly that bans on opposition groups such as the African National Congress (ANC), the South African Communist Party (SACP), and the United Democratic Front (UDF), could soon be lifted. This would remove one of the last remaining barriers to talks.

Meanwhile, the ANC, whose executive is meeting in Lusaka to prepare its strategy for what it calls the "new and challenging" situation in South Africa, appeared to back away from recent threats to intensify its military campaign.

Mr Alfred Nzo, the ANC secretary-general, said at a ceremony marking the start of the meeting: "We must admit we do not have the capacity in our country to intensify the armed struggle in any meaningful way."

The strategies of the ANC, said Mr Nzo, will have to be re-examined. "In the event the ANC is unbanned, we must consider whether to operate as a legal movement or whether to maintain some underground units."

The two-day meeting is attended by Mr Walter Sisulu and other long-term ANC prisoners released from South African jails last October. Mr Nzo said that he expected the ANC to shed "old perceptions and fears in order to confront a new reality."

Mr Coetsee said that compre-

hensive review of restrictions on political parties was "in the pipeline."

His announcement came a day after the UDF, the country's anti-apartheid coalition, had declared it would no longer abide by severe government curbs on its activities, imposed in 1988.

Mr Adriaan Vlok, the Law and Order Minister, has belatedly invited the UDF to apply to have restriction orders lifted.

Mr Vlok said the Cabinet would view an application favourably because the security situation was better now than two years ago.

These and other developments have given a note of urgency to the ANC deliberations in Lusaka.

"F.W. de Klerk (the South African President) will in all likelihood seek to move with some speed in order to catch us unprepared," said Mr Nzo in

Lusaka. "We must prepare our negotiating positions. If we do not we will surrender the initiative to the regime and allow it to impose its own solution on us."

In a remarkably frank presentation, Mr Nzo outlined some of the ANC's positions and strategies which needed rethinking, including the long-running debate over the use of violence.

The ANC, said Mr Nzo, was also conscious of the danger of the world's changing perception of South Africa.

Other issues that will be discussed in what ANC officials admit will at times be a contentious meeting include the growing role of senior ANC leaders inside South Africa, the ANC's frequently difficult relationship with the black-ruled "front-line states" of southern Africa, and the future position of Nelson Mandela.

Thomson-CSF pulls out of talks

Continued from Page 1

pany was looking for a bid from Thomson as such.

It is understood, however, that Ferranti's institutional investors had steered Thomson away from attempting to buy only parts of the company and towards considering a full bid.

Sir Derek said that Ferranti was not at this stage in the position of having to sell off parts of the company. The forthcoming rights issue, which is fully underwritten, will provide the company with a breathing space by reducing its borrowings.

Sir Derek said: "We have no need to conduct a fire sale. We're not up with our backs against the wall."

The French company denied yesterday that its decision was the result of intervention by the British Government to discourage a rescue that would bring Ferranti under indirect control of the French state. Thomson-CSF is majority owned by the nationalised Thomson group.

The UK Ministry of Defence had been "absolutely neutral" in the affair, the company said.

Thomson-CSF, which has just bought a large part of the defence interests of the Dutch Philips group, said it reserved the right to launch a bid either to pre-empt a rival bidder or in the event of "a substantial change" in Ferranti's financial situation.

Mr Alain Gomes, Thomson group chairman, has made clear for some time his intention to build a foothold in the UK market. The UK is the only European country comparable with France in its government backing for defence research

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Alaska	14	57	14
Bahamas	25	77	25
Bangkok	32	90	32
Bombay	32	90	32
Buenos Aires	18	64	18
Calcutta	32	90	32
Cairo	25	77	25
Canton	18	64	18
Cebu	32	90	32
Colon	25	77	25
Copenhagen	10	50	10
Corfu	14	57	14

C-Cloudy D-Drizzle F-Fog H-Hail N-Night S-Sunny SI-Snow T-Thunder

part of its fellow state-controlled company Aérospatiale. Thomson was also, until it passed to the state, the main supplier of the mainframe computer for the French Air Force. The company's military business would not mean it could afford to ignore its civilian work, and it would just be in more areas.

Smiths has, up to now, had to fund its own work on systems for the EFA, but can use what it learns on other programmes.

Smiths is also working for the pilot's colour displays — three multi-function screens taking the place of standard cockpit

INTERNATIONAL COMPANIES AND FINANCE

Yorkshire Bank goes to NAB for £967.5m in cash

By David Lascelles, Banking Editor

BRITAIN'S biggest bank sale was clinched yesterday when National Australia Bank agreed to pay £967.5m (\$1.6bn) in cash for the Yorkshire Bank, the Leeds-based regional.

The deal will make NAB the seventh largest bank in Britain with more than 700 branches, including those of the Clydesdale Bank and Northern Bank which it bought three years ago.

Sir Rupert Clarke, NAB's chairman, said NAB would continue to develop Yorkshire Bank's presence in England, using its existing management and business philosophy.

Its name and separate identity would be preserved. One or two Australians will take up positions in Leeds, but there will be no job losses.

"We are delighted to acquire Yorkshire Bank," he said. "We have the highest regard for the bank, its management and its operations."

Mr Nobby Clark, NAB's chief executive, said Yorkshire had been on his "wish list" for many years.

The acquisition would fit into NAB's strategy of expanding overseas through strong regional banks, and he would be aiming to increase York-

shire's branch network to 1,000.

NAB's bid exceeds the £950m paid by Deutsche Bank last month for Morgan Grenfell and is equivalent to three times Yorkshire's net asset value, or 13.5 times earnings. Responding to suggestions that he might have paid over the odds, Mr Clark said the terms were "manageable, explainable in the medium-term, and wholly justified."

Yorkshire is the UK's most profitable bank by a wide margin, and its regional base means it has plenty of scope for expansion elsewhere in the UK.

Mr Clark said that NAB would be able to finance the cost through its internal resources, and this would have only a small dilution effect on earnings. NAB's capital ratio would fall from 10 per cent to 8.7 per cent.

The sale will net a large profit for Yorkshire's owners, who set a high price from the start based on their projections of future dividend payments.

The largest, NatWest with 40 per cent, said it would clear £190m. The other shareholders are Barclays (32 per cent), Lloyds (20 per cent) and Royal Bank of Scotland (8 per cent).

St-Gobain advances 6% despite halved asset sales

By George Graham in Paris

SAINT-GOBAIN, the leading French glass, packaging and construction materials group, has reported a 6 per cent gain in net profits to FF4.3bn (\$746.8m) in 1989, with a stronger underlying advance in operating earnings.

"We are satisfied because this is fundamentally good growth excluding exceptional items, which contributed much less than in the previous year," Mr Jean-Louis Beffa, chairman of Saint-Gobain, said.

The group's operating profits rose by 10 per cent to FF4.8bn, on sales 12 per cent higher at FF766bn. Earnings from asset sales halved to FF600m, where

1989 had seen a sizeable capital gain from the sale of Samier Duval, its boilers subsidiary.

Mr Beffa said he was satisfied that the group had increased its cash flow by more than FF1bn to FF4.2bn, while maintaining investment and reducing debt to equity ratio.

Following the results showed a more even distribution, both geographically and by activity, Mr Beffa said. Of Saint-Gobain's eight main divisions, only building materials showed a decline in profits, largely because of the division's exposure to the North American and Brazilian markets.

Murdoch aims for seven-day TV at Fox

By Raymond Snoddy

MR RUPERT MURDOCH, chief executive of The News Corporation, plans to turn Fox Broadcasting, his fledgling US network, into a full seven-day-a-week network by next year.

An expansion of Mr Murdoch's broadcasting interests in the US will also include the creation of a full-scale Fox network news service over the next two years designed to challenge the three established national US television networks, NBC, ABC and CBS.

The aim is to produce a 10 pm prime-time national news programme for the Murdoch stations and Fox's more than 100 affiliate stations.

When Fox Broadcasting was set up by Mr Murdoch in 1987 as a potential fourth network, at a time when the US networks were already losing audience share to cable television and independent stations, it was seen by many observers as a folly and probably doomed venture.

Fox started with five and a half hours of programmes on Saturday and Sunday night and added a Monday night-line up in September.

After start-up losses, which are estimated by Morgan Stanley, the investment bankers at \$125m, the venture is now breaking even and operating profits of around \$40m are expected this year on revenues of \$400m.

Fox will start broadcasting films on Wednesday nights soon and will be a five-night operation within a year.

Mr Murdoch says he is determined that Fox will be a seven-night-a-week operation by the autumn broadcasting season next year.

The News Corporation chief executive is particularly concerned to establish Fox as a accepted fourth network before anyone else in the industry tries to muscle in on the territory.

The Fox network news operation will build on material originating from the Fox-owned television stations in cities such as New York, Chicago and Los Angeles and will gradually be rolled out to affiliate stations this year and next.

Once sleepy giant fires diversification game

RWE is no longer just an electricity supply company David Goodhart reports

Long seen as West Germany's biggest but sleepiest electricity supply company, RWE has changed its image.

The uninspiring slogan of the 1970s "RWE - an electricity supplier and a little bit more" has been replaced with the uninspiring but more accurate "RWE - high-tech, energy supply and waste management, we think globally."

The new image, capped yesterday by shareholder agreement to a new business structure, has certainly impressed global investors. The shares have nearly doubled over the past 12 months and have outperformed the German market by around 40 per cent over the same period, leaving similar utility-based conglomerates like Veba trailing far behind.

How has it done it? Less than a year ago it was still being described as "a paradigm of Germany Inc." with its systematic undervaluation of assets and overvaluation of liabilities, its poor dividend record, its immunity from takeover, thanks to the control of voting shares by municipalities, and its civil service management style derived from roots as a local electricity supply monopoly.

Not all of the above has changed and some of the new attractions are shared by other companies in the sector. The other two big utility-conglomerates - Veba and Vag - have also, for example, benefited from rising cash flow thanks to reduced expenditure on environmental re-equipment of power stations and the aban-

doning of nuclear reprocessing at Wackersdorf. RWE, Veba and Vag have all been using this temporary rise in cash flow to go on a takeover binge. The aim has been diversification out of a once-comfortable electricity generation business now doomed to declining returns, thanks to the combined pressures to reduce the burning of "greenhouse effect" fossil fuels, reduced electricity prices, and increased competition.

The utilities' diversification strategy has come in for criticism in West Germany. Some have argued that provisions partly set aside for the decommissioning of power plants should not be used for the risky business of buying companies.

Others maintain that the political priority to establish an efficient and environmentally friendly energy economy should be absorbing all the cash of the semi-publicly owned utilities.

The more pragmatic investment community has simply worried about whether the diversifications have been sensible. As interest rates are so low in Germany they can hardly fail to be financially rewarding, at least in the medium term, so diversification strategy has become a test of confidence in the respective management teams.

The highly-esteemed, and hitherto most open, management team at Veba took a head start but in the past few months it has been RWE's turn to catch up. Herein lies the importance of the business

reorganisation at RWE. The company has always been famous for its hidden assets - and according to some calculations asset value remains almost double market capitalisation - but was previously considered unlikely to exploit them.

The business reorganisation, combined with a more active takeover strategy, has convinced many sceptics that those assets will now be more actively managed. The reor-

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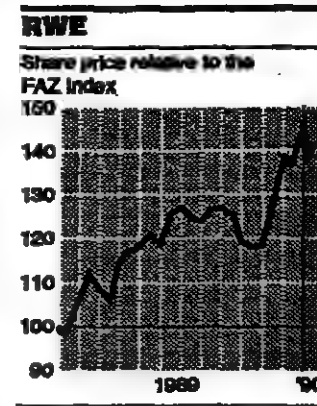
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ganisation has also helped to draw attention to the fact that nearly two-thirds of earnings in 1989/1990 came from non-electricity earnings.

Under the new organisation there will be a holding company with five legally independent subsidiaries. The five are: RWE Energie (mainly electricity generation), Rheinbraun (mining), RWE-DEA (oil and chemicals), RWE Maschinenbau and Anlagenbau (machine and

COMPANY NEWS IN BRIEF

NIFFON Credit Bank, Japan's third-largest long-term credit bank, has acquired a 10 per cent stake in Europolis Invest of France in a joint venture to invest in European real estate, Reuters reports. The joint venture is capitalised at FF11m (\$173.7m) according to Nippon Credit Bank. Ten financial institutions already have stakes in Europolis, including Crédit National of France which has 30 per cent.

Banking Brussels Lambert (BBL), Belgium's second largest commercial bank, is reorganising top management in a bid to streamline operations, AP-DV reports. BBL said its executive committee would be cut to seven members from nine and that one executive rather than three would be responsible for the bank's domestic network.

Creditanstalt, Austria's largest bank and ranked about 80th in the world, will raise its 1989 dividend by 25 per cent following a 40 per cent jump in net profit to Sch1.4bn (\$117m) from Sch1.02bn a year earlier. The bank will also raise Sch1.5bn through an 18-to-1 share rights issue.

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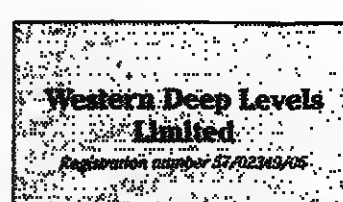
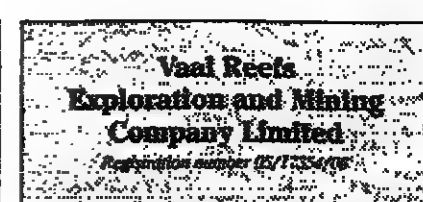
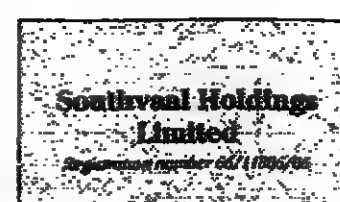
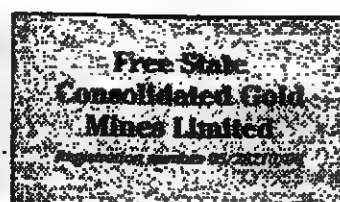
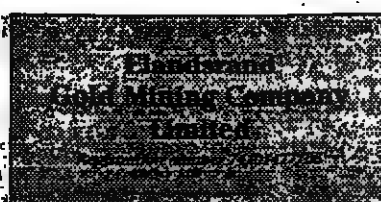
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Abridged quarterly reports and preliminary profit announcement – Dividend declarations

Abridged quarterly report for the quarter ended December 31 1989

Freegold

Issued Capital in shares of 50 cents each: 116 179 121 ordinary and 890 871 (previously 864 357) S ordinary shares

The following are the results of the company and its wholly-owned operating subsidiary, Free State Consolidated Gold Mines (Operations) Limited.

	Quarter ended Dec. 1989	Quarter ended Sept. 1989	Nine months ended Dec. 1989
Gold			
Area mined – m ³ 000	1 043	1 013	3 037
Tons milled 000	6 513	6 573	19 621
Yield – g/t	4.25	4.21	4.19
Production – kg	27 710	27 649	82 124
Cost – R/kg produced	27 432	28 413	25 383
Price received on gold sales – R/kg	32 461	32 393	32 295
Metallurgical Scheme			
Silver treated – tons 000	4 162	4 393	12 745
Uranium oxide produced – kg	107 196	118 876	337 713
Gold produced – kg	344	603	1 747
Acid produced – tons	96 636	108 008	311 046
	R million	R million	R million
Turnover	331.5	328.9	2 758.6
Profit before taxation	167.9	198.0	569.3
Provision for taxation	7.9	25.5	56.3
Profit after taxation	160.0	172.5	513.0
Appropriation for capital expenditure	2.0	2.0	5.9
Profit available	158.0	170.5	507.1
Interim dividend of 180 cents per share paid on December 15 1989			175.6
Increase in retained profit			83.5
Earnings per share – cents	71	79	221
Capital expenditure – R million	87.9	82.5	277.0

Note: Orders placed and outstanding on capital contracts as at December 31 1989 totalled R22.0 million.

Ergo

Issued Capital in shares of 50 cents each: 42 078 712 ordinary and 3 440 944 (previously 3 440 384) S ordinary shares

	Quarter ended Dec. 1989	Quarter ended Sept. 1989	Nine months ended Dec. 1989
Material treated – tons 000	9 556	8 866	27 629
Gold production – kg	2 957	2 881	8 722
Uranium production – kg	39 680	36 299	123 711
Acid production – tons	129 531	95 408	360 910
Price received on gold sales – R/kg	32 396	32 347	32 179
	R000	R000	R000
Turnover	106 856	105 084	317 086
Profit before taxation	22 270	22 131	71 781
Ergo division	13 207	14 036	47 105
Daggafontein division	7 223	7 494	21 495
Strimberg division	1 846	601	3 181
Provision for taxation	3 439	2 005	12 935
Profit after taxation	18 837	20 126	58 846
Appropriation for capital expenditure	8 257	9 702	26 135
Profit available	10 580	10 424	32 711
Interim dividend of 50 cents per share paid on December 15 1989			22 760
Increase in retained profit			9 951
Earnings per share – cents	23	23	72
Capital expenditure – R000	7 688	9 112	24 644

Note: Orders placed and outstanding on capital contracts as at December 31 1989 totalled R8 690 000.

Vaal Reefs

Issued Capital in shares of 50 cents each: 19 000 000 ordinary and 39 734 (previously 38 649) S ordinary shares

	Quarter ended Dec. 1989	Quarter ended Sept. 1989	Year ended Dec. 1989
Gold			
Area mined – m ³ 000	536	557	2 090
Tons milled 000	2 778	2 901	10 920
Yield – g/t	6.86	6.82	6.91
Production – kg	19 067	19 102	75 455
Cost – R/kg produced	20 416	20 745	20 044
Price received on gold sales – R/kg	32 475	32 411	32 055
Uranium oxide			
Tons treated 000	2 331	2 328	9 195
Yield – kg/t	0.20	0.20	0.19
Production – kg	463 172	458 626	1 784 798
	R million	R million	R million
Turnover	664.3	657.4	2 577.5
Profit before taxation	217.3	191.6	821.4
Provision for taxation	43.2	61.3	217.9
Profit after taxation	174.1	130.3	603.5
Appropriation for capital expenditure	97.2	63.6	307.3
Profit available	76.9	66.7	296.2
Dividends – including a final dividend of 800 cents per share			305.0
Increase in retained profit			8.8
Earnings per share – cents	403	350	1 554
Capital expenditure – R million	97.9	66.4	321.6

Note: 1. The current quarter's results include a half-yearly dividend from Southvaal Holdings Limited and are therefore not directly comparable with the previous quarter.
2. Orders placed and outstanding on capital contracts as at December 31 1989 totalled R51.4 million.

Elandsrand

Issued Capital in shares of 50 cents each: 96 619 825 ordinary and 209 661 (previously 208 048) S ordinary shares

	Quarter ended Dec. 1989	Quarter ended Sept. 1989	Year ended Dec. 1989
Area mined – m³000	93	92	359
Tons milled 000	548	495	1 944
Yield – g/t	6.76	6.76	6.67
Production – kg	3 707	3 344	12 971
Cost – R/kg produced	19 499	20 376	19 864
Price received on gold sales – R/kg	32 583	32 536	32 154
	R000	R000	R000
Turnover	124 414	107 220	420 329
Profit before taxation	52 104	39 804	165 755
Provision for taxation	266	850	2 804
Profit after taxation	51 838	38 954	162 951
Appropriation for capital expenditure	24 640	22 684	85 554
Profit available	27 198	16 270	77 397
Dividends – including a final dividend of 40 cents per share			77 463
Increase in retained profit			66
Earnings per share – cents			168
– before appropriation for capital expenditure	53	40	168
– after appropriation for capital expenditure	28	17	89
Capital expenditure – R000	32 619	28 689	115 946

Note: Orders placed and outstanding on capital contracts as at December 31 1989 totalled R22 357 725.

S.A. Land

Issued Capital in shares of 35 cents each: 9 182 700 ordinary and 69 495 (previously 66 639) S ordinary shares

	Quarter ended Dec. 1989	Quarter ended Sept. 1989	Year ended Dec. 1989
Tons milled 000	665	658	2 656
Yield – g/t	0.54	0.52	0.54
Production – kg	357	343	1 427
Production, transport and screening costs – R/kg produced	26 894	25 945	24 365
Price received on gold sales – R/kg	32 726	32 357	32 105

S.A. Land – continued

	Year ended Dec. 31 1989	Year ended Dec. 31 1988 (Audited)
Turnover	11 770	11 135
Profit before taxation	1 227	1 404
Provision for taxation	205	437
Profit after taxation	1 022	967
Appropriation for capital expenditure	–	22
Profit available	1 022	945
Dividends – including a final dividend of 20 cents per share		4 162
Increase in retained profit		49
Earnings per share – cents	11	10
Capital expenditure – R000	7	22

Note: There were no orders placed or outstanding on capital contracts as at December 31 1989.

Western Deep Levels

Issued Capital in shares of R2 each: 27 194 115 ordinary and 217 082 (previously 209 542) S ordinary shares

	Quarter ended Dec. 1989	Quarter ended Sept. 1989	Year ended Dec. 1989
Area mined – m³000	225	234	917
Tons milled 000	1 689	1 688	6 584
Yield – g/t	5.78	6.31	6.16
Production – kg	9 757	10 652	40 589
Cost – R/kg produced	22 483	19 604	20 257
Price received on gold sales – R/kg	32 480	32 335	32 077
	R million	R million	R million
Turnover	322.5	344.5	1 310.5
Profit before taxation	107.3	143.3	510.5
Provision for taxation	(10.6)	34.2	69.2
Profit after taxation	117.9	109.1	421.3
Appropriation for capital expenditure	95.9	71.6	290.0
Profit available	22.0	37.5	131.3
Dividends – including a final dividend of 220 cents per share			131.6
Increase in retained profit			0.3
Earnings per share – cents	80	137	479
Capital expenditure – R million	96.8	71.5	295.3

Note: 1. A fire in an old area on the Carbon Leader reef horizon adversely affected gold production by approximately 850 kilograms for the quarter. The fire area will remain sealed until March 1990 and production in the March quarter is likely to be further affected by about 1 000 kilograms.
2. Orders placed and outstanding on capital contracts as at December 31 1989 totalled R43.2 million.

Abridged preliminary profits announcement for the year ended December 31 1989

Southvaal

Issued Capital: 26 000 000 ordinary shares of 50 cents each

	Year ended Dec. 31 1989	Year ended Dec. 31 1988 (Audited)
Royalty from Vaal Reefs Exploration and Mining Company Limited and sundry income	287 370	371 667
Profit before taxation	283 895	368 757
Taxation	141 647	184 370
Profit after taxation	142 248	184 387

Southvaal – continued

	Year ended Dec. 31 1989	Year ended Dec. 31 1988 (Audited)
Dividends – interim of 275 (1988: 310) cents per share paid on September 15 1989	71 500	80 600
– final of 275 (1988: 400) cents per share (payable on or about March 16 1990)	71 500	104 000
	143 000	184 600
Decrease in retained profit	752	213
Earnings per share – cents	547	709

Dividend declarations

Final dividends

On Thursday, January 18 1990, final dividends for the year ended December 31 1989 were declared payable to holders of the following companies' ordinary and S ordinary shares:

Company	Dividend number	Cents per share
Elandsrand	15	40
Southvaal	26	275
S.A. Land	97	80
Vaal Reefs	67	800
Western Deep Levels	56	220

Last day to register for dividends (and for changes of address or dividend instructions) Friday, February 9

Registers closed from to (inclusive) Saturday, February 10

Ex-dividend on Johannesburg and London stock exchanges Friday, March 24

Ex-dividend on Johannesburg and London stock exchanges Monday, February 12

Currency conversion date for sterling payments to shareholders paid from London Monday, February 12

Dividend warrants posted Thursday, March 15

Payment date of dividends on or about Saturday, March 16

Rate of non-resident shareholders' tax 15 per cent

The full conditions relating to the dividends may be inspected at the Head and London offices of the companies and the transfer secretaries.

By order of the boards
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
Secretaries
per C.R. Bull
January 18 1990
Senior Divisional Secretary

Notes:
1. Unless otherwise stated all results are unaudited.
2. All companies are incorporated in the Republic of South Africa.
3. The increase in share capitals during the quarter resulted from the issue of shares to Anglo American Corporation of South Africa Limited (AAC) to finance the acquisition of AAC shares for distribution to employees who participate in The Anglo American Group Employee Shareholder Scheme.
4. The unaudited reports will be posted to members, debenture and option holders, and to persons on the mailing lists. Copies of the unaudited reports are available from the Transfer Secretaries and the Head and London Offices.

TRANSFER SECRETARIES
Consolidated Share Registrars Limited
1st Floor, Edura
40 Commissioner Street
Johannesburg 2001
(PO Box 61051, Marshalltown 2107)

Barclays Registrars Limited
6 Greenoat Place
London SW1P 1PL

Johannesburg
January 18 1990

HEAD OFFICES
44 Main Street
Johannesburg 2001
(PO Box 61587, Marshalltown 2107)

LONDON OFFICES
40 Holborn Viaduct
London EC1P 1AJ

The unaudited reports will be posted to members, debenture and option holders, and to persons on the mailing lists. Copies of the unaudited reports are available from the Transfer Secretaries and the Head and London offices.

QOC

INTERNATIONAL COMPANIES AND FINANCE

Good showing from four US banks

By Anatole Kaletsky in New York

BANKAMERICA, the third largest US bank group, reported sharply improved results in the fourth quarter, continuing a strong recovery from the huge losses it suffered until a major management shake-up in 1988.

NCNB, the North Carolina bank group which has acquired the biggest bank in Texas from the US Government, also announced greatly improved results.

Chemical Banking, which has also expanded in Texas but without US government assistance, reported results in line with Wall Street expectations.

Meanwhile, Continental Bank, the big Chicago-based wholesale and institutional lender, announced the sale of First Options of Chicago, its options clearing business.

BankAmerica made net profits of \$270m or \$1.21 a share in the fourth quarter. This represented little change on the

\$265m or \$1.13 a share reported a year ago, but the year-earlier figure included \$351m of Brazilian interest payments, mostly relating to previous quarters, partly offset by a \$167m restructuring charge.

The bank set aside an extra \$300m for possible credit losses in developing countries in the latest quarter, as well as in the corresponding quarter of 1988. This increased to 47 per cent the bank's reserve coverage on medium and long-term loans to Third World countries.

BankAmerica said there was no increase in the end of 1989 in non-accruing loans to domestic borrowers, which stood at \$128bn at the end of December.

For 1989 as a whole, BankAmerica announced earnings of \$1.1bn or \$5.19 a share, compared with \$728m or \$3.79 the year before.

The bank added that its total risk-adjusted capital stood at 9.1 per cent of assets, while

core capital was 5.6 per cent. These capital ratios compared with the requirements of 8 per cent and 4 per cent respectively due to come into effect in 1992.

Chemical Banking announced fourth quarter earnings of \$95m or \$1.04 a share, compared with \$288.5m or \$4.66 the year before. The year earlier result included \$205m in non-recurring interest payments from Brazil.

For the whole year, Chemical made a net loss of \$482m or \$8.29 a share, including the third quarter's \$600m special allowance for less developed countries' losses.

In 1988 the bank earned \$74m or \$1.02, which was also distorted by numerous special items.

Continental Bank reported a net loss of \$58m or \$1.23 a share in the fourth quarter, after taking a \$62m charge connected with the sale of First Options.

It said that income from continuing operations in the quarter was \$23m or 26 cents a share, compared with \$120m or \$2.06 a year ago. Annual income from continuing operations came to \$266m or \$4.64, down from \$346m or \$5.74.

NCNB reported a doubling of net income in the latest quarter to \$130m or \$1.30 a share, compared with \$64m or 69 cents the year before.

For the whole of 1989, it made \$447m or \$4.62 a share, compared with \$232m or \$2.80. This big increase was due largely to the acquisition of NCNB Texas, formerly First Republic Bank.

Mr Hugh McColl, chairman, said that the profitability and successful integration of NCNB Texas, which was acquired with massive assistance from the Federal Deposit Insurance Corporation, had "exceeded our most ambitious expectations."

Big Finnish forest group buys into competitor

By Enrique Tessieri in Helsinki

METSÄ-SERLA, one of Finland's leading forest groups, has over the past two days acquired a 25.7 per cent stake in **United Paper Mills (UPM)**, the country's fourth largest forest group.

Metsä-Serla said it had acquired "around 10m UPM shares for a cost of FIM1.6bn (\$461m)."

Analysts believe the recent acquisition is only one step towards merging UPM into Metsä-Serla. If both forest companies merged, their combined turnover would reach FIM20bn, the largest of any forest group in Finland.

That suggests Finland will probably end up with three large forest groups: Metsä-Serla, state-owned **Enso-Gutzeit** and **Kymmene**, which is under the sphere of influence of the Union Bank of Finland and the wealthy **Ehrnrooth** family.

Cellular telephones boost two regional Bell groups

By Roderick Oram in New York

PACIFIC TELISIS and **Americitech**, two of the Bell regional telephone companies, reported higher profits due to booming demand for cellular telephones and modest growth of conventional services.

California-based **PacTel** turned in net profits of \$32m, or 79 cents a share, for the fourth quarter ended December, up sharply from \$24m, or 59 cents, a year earlier. Revenues were flat at \$2.47bn against \$2.42bn.

Full year net was \$124m, or \$3.02 a share, against \$1.9bn, or \$2.81, a year earlier. Revenues were \$959m against \$949m.

Pacific Bell and Nevada Bell, its two operating companies

for conventional phones, enjoyed a 4.3 per cent growth in subscriber lines to 13.7m. Messages increased 9.9 per cent to 3.14bn and usage by 11.7 per cent to 38.3bn minutes.

The subscriber base of Pacific cellular business, with services in Los Angeles and other major markets, grew 45 per cent during the year to 381,000 customers. Cellular operating cash flow increased 56 per cent to \$200.9m.

PacTel said it was well placed for further growth due to incentive-based regulation of conventional phone services in California. Its international foothold in West Germany and the UK, and its leading position

in cellular telephones. Americitech, serving five mid-western states, reported fourth quarter net profits of \$31.7m, or \$1.22 a share, against \$29.7m, or \$1.15, a year earlier. Full year net was flat at \$124m, or \$4.59, against \$1.24, or \$4.55, a year earlier. Revenues edged ahead to \$10.21bn from \$9.9bn.

Subscriber lines for conventional phones increased 2.5 per cent to 15.9m and calling volume also grew. Americitech Enterprise, its non-regulated operations, reported a 19 per cent increase in revenues due to cellular business growing by 65 per cent.

Workers at Koor stage day's strike

By Hugh Carnegie in Jerusalem

WORKERS at Koor Industries staged a one-day strike at factories around Israel yesterday amid efforts by the Government and the group's trade union ownership to thrash out a rescue plan for the company, threatened by billion-dollar debts it cannot service.

Meanwhile, Manufacturers Hanover, which leads the group of Koor's foreign bank creditors, said it has not received any approach from two foreign companies which have made offers to acquire Koor. Instead, it urged the Israeli Government, Koor and its owners to concentrate on addressing the group's operational shortcomings.

Koor, the country's biggest industrial concern with interests ranging from construction to telecommunications, said all its plants were shut by the strike, except those of Tadiran, its biggest subsidiary and biggest loss-maker employing half the group's 21,000 workforce. The strike was held to demand government aid for Koor and to oppose its disposal to foreign investors.

Mr Shimon Peres, the Finance Minister and leader of the Labour party, discussed Koor's fate on Wednesday night with leaders of the Histadrut trade union federation, which owns Koor, and top executives from Bnei Barak, Koor's biggest creditor, which is also owned by the Histadrut.

Koor says a solution must be worked out by January 25 when it faces insolvency if it cannot pay overdue interest on bonds worth \$100m issued in the US. It has suspended all payments on its other debts until then.

Mr Yisrael Kassar, the Histadrut general secretary, said yesterday that bids by Shamrock Investment Corp of California and by the Belzberg brothers, Canadian investors, were being considered, as was a Koor-proposed rescue package involving the Government and big write-offs by creditor banks.

Mr Peres apparently intends to invite Koor's foreign creditors to a meeting in Israel to try to agree on an outcome. But the foreign creditors have signalled their mounting impatience with this approach.

Mr Philip Zegarelli, a vice president at Manufacturers Hanover, said: "We have not received any approach directly or indirectly by the foreign parties interested in a Koor stake. This leads us to believe the company, the Government and the owners must refocus on solving the operational problems of the company."

Alcoa disappoints with 24% fall

By Anatole Kaletsky

ALUMINUM Company of America, the world's largest aluminium producer and a bellwether business whose performance is widely considered to reflect the state of America's industrial economy, stunned Wall Street with a disappointing fourth-quarter earnings announcement.

However, Reynolds Metals, the second largest US aluminium company, announced earnings in line with Wall Street expectations.

Alcoa made net profits of \$165m or \$1.89 a share in the fourth quarter, 24 per cent down on the \$219m or \$2.47 reported a year earlier.

Wall Street forecasts of the quarter's earnings had ranged from \$3.81 a share to a minimum of \$1.98, with a mean of \$2.57, according to the Institutional Brokers Estimates System.

Mr Paul O'Neill, Alcoa's chairman, attributed the steep downturn to the "continuing trend of an economic slowdown that began in mid-year."

More specifically he referred to lower prices, declining shipments and a less profitable mix of products against the background of higher raw material costs.

Alcoa also suffered foreign exchange translation losses of \$14.5m in the quarter. But such losses were even bigger in the final quarter of 1988, when they came to \$55m.

Sales in the latest period were \$2.67bn, up 2 per cent on the year before.

In spite of the disappointing results, Alcoa set a record for annual profits in 1989 as a whole. The company earned \$945m or \$10.67 a share, up 9.8 per cent on the \$861m or \$9.74 profits in 1988. Annual revenues were up 11 per cent at \$10.91bn.

Primerica reaches \$289m

By Alan Friedman in New York

PRIMERICA, the US financial services conglomerate run by Alan Friedman, announced a \$289m net profit on \$5.7bn of 1989 total revenues.

The figures, including \$95.9m of fourth-quarter net income or 87 cents per share, are not comparable with previous accounts because the company was taken over at the end of 1988 by Commercial Credit, the consumer finance business Mr Friedman had chaired since 1986, a year after leaving the presidency of American Express.

Commercial Credit, which in 1988 had \$161.8m of net profits on revenue of \$1.04bn, bought

Market depresses Bear Stearns

By Janet Bush in New York

BEAR STEARNS, the US brokerage and investment bank, yesterday reported net income for its fiscal second quarter ended December of \$39.1m or 29 cents a share, less than half the total earned in the same quarter in 1988.

The company said this reflected unfavourable market conditions during the period in the debt and equity markets, a lack of risk arbitrage opportunities and a decline in merger and acquisition activities.

Net income in the quarter was up 33 per cent from the previous quarter, when net

income totalled \$29.1m or 22 cents a share, but sharply lower than the record \$63.3m or 63 cents a share earned in the last three months of 1988.

Gross revenues were \$578.0m compared with \$632.6m in the corresponding quarter.

Bear Stearns declared a 5 per cent common stock dividend and a 14 cent quarterly cash dividend. The company noted that this was the fourth time it had increased the dividend on common stock in the past 18 months.

Mr Alan Greenberg, chairman, said he was pleased with the latest quarter's results, particularly as the period included the 190 point drop in the Dow Jones Industrial Average on October 13. "The performance of all our operating departments confirms that the company consistently is able to produce profits during challenging market conditions."

In the six months to December 1989, net income was \$51.2m or 51 cents a share, compared with \$38.5m or 38 cents a share in the same period of 1988. Revenues totalled \$1.2bn compared with \$1.1bn.

Mr Alan Greenberg, chairman, said he was pleased with

American Airlines adds routes

By Paul Abrahams

AMERICAN Airlines, the Dallas-based carrier, is to increase its trans-Atlantic capacity by 22 per cent this summer. The move will intensify competition on the lucrative Atlantic routes at a time when US and European airlines are reporting falling profits.

Mr Donald Carty, executive vice president, said yesterday that the new routes underlined the company's commitment to the European market-place and its determination to make American the leading US carrier in the trans-Atlantic market.

The new routes will run between London-Chicago, Glasgow-Chicago, Munich-Chicago, Düsseldorf-Chicago and London-Miami. The company will be offering an additional 26 flights a week on top of the 119 already scheduled.

Analysts believe the move is likely to affect TWA, Pan Am, Am in the US, while in Europe British Airways and Lufthansa are most likely to suffer.

AMR, the parent company of American, reported sharply lower fourth-quarter profits

Phillips to write off \$280m for delayed work

PHILLIPS PETROLEUM, the US oil and chemical group, will take a \$280m charge on off-shore California investments, resulting in a "substantial" loss for the fourth quarter, AP-DJ reports.

The oil company says the write-off is necessary because starting work in the area has suffered "protracted delays," particularly in receiving regulatory approval to move oil to refineries by tanker.

Phillips says that groups such as environmentalists and other activists groups have opposed the oil industry's attempts to produce and process in the area.

Facilities to handle oil and gas from the Point Arguello field were ready to begin operations in July 1988. In May 1989 Santa Barbara County approved an interim plan to transport the oil by tanker. The groups have appealed against the county's action.

The writedown applies to Phillips' interests in the Point Arguello field and associated production, transportation and onshore processing facilities, suspended exploratory wells in the Rocky Point field and some other off-shore California leases.

Phillips says it holds 40 per cent and per cent interests in the blocks that are part of the Point Arguello field.

Bowater reveals fourth-quarter decline to \$32m

BOWATER Inc, one of North America's largest newspaper producers, saw fourth-quarter net income fall from \$45.2m or \$1.33 a share to \$32.3m or 86 cents. This takes the full-year figure to \$144.6m, compared with the record \$164.5m in 1988, writes *Our Financial* Service.

Sales last year were \$1.45bn, up 3.6 per cent from 1988. Fourth-quarter sales were almost unchanged at \$367.5m.

Mr A.P. Gamble, chairman and chief executive, said: "Although there were signs of a slowdown towards year-end, Bowater produced its second best net income ever in 1989."

These results were achieved in spite of special charges which included pulp mill start-up costs, timber losses due to Hurricane Hugo and the write-off of a feasibility study for coated paper expansion.

We expect the current overcapacity in newsprint to be with us for two or more years, but it is likely to be less severe than many forecasters predict. Furthermore, there is hope that much of the surplus capacity coming into Europe will be directed to the East rather than to North America."

Mr A.P. Gamble said.

Market pulp demand was as strong because of softening demand, but the company expected excellent profits.

Soft demand hits Smith Corona

By Roderick Oram

SMITH CORONA, the US typewriter and word processor maker, 48 per cent owned by Hanson of the UK, has reported lower fiscal second-quarter earnings, reflecting soft demand and a write-down of inventory.

The results indicate the performance of the Connecticut-based company has continued to deteriorate since Hanson sold off a majority of its public shareholdings at the peak of the market last summer.

Smith Corona's share price fell a further 9% to \$12.4 yesterday morning, leaving it down 42 per cent from the flotation price of \$21 last July 28.

Venalum posts US\$198m net

By Joseph Mann in Caracas

VENALUM, Venezuela's largest aluminium producer, reported a net profit of US\$198m for 1989.

Net earnings last year, in US dollar terms, were less than the 1988 profit of \$261m, due to a significant devaluation of the Venezuelan currency.

However, profits in local currency were 47 per cent higher and production rose 23 per cent. Venalum is a joint venture between the Venezuelan Government and six Japanese concerns.

Underground fire curbs Anglo American

ANGLO AMERICAN, the largest of South Africa's mining groups, will continue to increase gold production as a means of overcoming the effects of flat gold prices and rising costs, writes Jim Jones from Johannesburg.

However, it was forced to drop this policy and concede lower production overall in the December quarter as an underground fire hit production at the Western Deep Levels mine.

Mr Theo Pretorius, who heads the group's Transvaal gold division, noted yesterday the average gold price fell 13 per cent in dollar terms during 1989. However, a drop in the rand's value against the dollar had resulted in the average rand gold price rising slightly.

Freegold, the country's largest gold mining complex, has shifted away from emphasis on high volumes as certain areas

Strong dollar counters higher sales at Pfizer

By Anatole Kaletsky

Pfizer, the third largest US drugs company, said yesterday the persistent strength of the dollar had led to a 6 per cent decline in net profits, in spite of a 9 per cent advance in worldwide sales.

Pfizer made \$138m or 79 cents a share in the fourth quarter, compared with \$142m or 84 cents a year earlier. The company had indicated that it expected a "modest decline" in earnings because of adverse currency translation effects and analysts were prepared for yesterday's results.

In 1989 as a whole Pfizer made net profits of \$727m or \$4.31 a share, down 8 per cent from the \$791m or \$4.70 reported in 1988. The company's annual sales increased by 5 per cent to \$5.67bn, while quarterly sales were 9 per cent ahead at \$1.49bn.

In spite of yesterday's relatively weak result, analysts remained sanguine about Pfizer's prospects for the year ahead, pointing out that two important new drugs, Procardia XL, a cardiovascular calcium-channel blocker, and Difican, an antifungal formulation - had just been placed on the market.

Several other important drugs are about to receive government clearances.

Lotus 1-2-3 to run on Sun

By Louise Kehoe in San Francisco

LOTUS Development is to launch versions of its popular personal computer spreadsheet program, 1-2-3, to run on Sun Microsystems' workstations.

The software is expected to boost Sun's efforts to broaden the market for its desktop workstations and to challenge personal computers.

The availability of standard software packages for use on workstations will spur rapid

Anglo American Gold Quarterlies

	Gold produced (k)		After-tax profit (\$m)		Earnings per share (cents)	
	Dec 89	Dec 88	Dec 89	Dec 88	Dec 89	Dec 88
Handarand	3,707	3,344	52.1	36.1	28.1	18.8
Ergo	2,957	2,891	18.8	20.1	23.2	22.9
Freegold	27,710	27,646	186.0	172.1	70.6	78.1
SA Land	357	343	1.0	1.0	11.0	10.2
Van Rees	19,057	19,102	174.0	130.3	40.3	35.0
W. Deep	9,757	10,632	117.9	108.1	80.3	136.8

Earnings per share calculated after tax and capital expenditures.

growth in the workstation market over the next five years, according to a report published this week by Datquest, the US market research firm.

The worldwide workstation market grew by 40.2 per cent to reach \$6.1bn revenue last year, says the report.

Datquest forecasts a 30 per cent sales growth in workstations over the next five years. Sun is the market leader.

have reduced production and raised gold recovery. The mine's unit costs increased by 5 per cent to \$115.71 (\$45) per ounce during the quarter.

Van Rees increased its total gold output although an increase in the ore production rate at the mine's northern section failed to offset a drop in the section's gold recovery grade. The southern section,

which pays 55 per cent of its profit after tax and capital expenditure to Southern Holdings, raised gold production in spite of a lower ore processing rate.

Western Deep was obliged to close some high-grade working areas during the quarter and suffered a consequent drop in its average gold recovery grade to 5.78 grams per tonne (g/t).

from the September quarter's 6.31 g/t. Mr Pretorius estimates the mine suffered a gold production loss of about 850kg.

The Klandarand mine, which borders Western Deep, has continued to raise its ore production rate and its gold recovery grade. One milling reached a sustainable monthly rate of 180,000 tonnes towards the end of the quarter and a further grade rise from the December quarter's 7.10 g/t is forecast.

Ergo, which recovers gold and uranium from old mining residues on the East Rand, restored gold production after the closure of part of its processing plant for maintenance in the September quarter.

Sallies, the small veteran mine, hopes to locate additional dump material which it can process to extend its life expectancy beyond the present two years.

Creditanstalt-Bankverein

U.S. \$125,000,000

Subordinated Floating Rate Notes 1994

For the six months 17th January, 1990 to 17th July, 1990 the Notes will carry an interest rate of 8 3/4% per annum and coupon amount of U.S. \$210.54 payable on 17th July, 1990.

Bankers Trust Company, London Agent Bank

ASSET BACKED FINANCE

The Financial Times proposes to publish this survey on:

27th March 1990

For a full editorial synopsis and advertisement details, please contact:

EDWARD MACQUISTON on 01-573 2683

or write to him at:

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FINANCIAL TIMES LONDON & NEW YORK

INTERNATIONAL COMPANIES AND FINANCE

Citic takes control of HK quoted company

PEKING'S China International Trust and Investment Corporation (Citic) yesterday moved to take an active investment role on the Hong Kong Stock Exchange, agreeing to acquire control of a small quoted company called Tyfoll from the Chao business family, writes John Elliott in Hong Kong.

This will provide China's most active foreign investment organisation with a relatively low-key way of testing market reaction to its presence at a time when confidence is low in the colony because of its return to Chinese sovereignty in 1997.

Citic Hong Kong, the organisation's

local offshoot, has recently entered an expansionary phase and earlier this week clinched a deal which gives it a 38 per cent stake in Dragonair, the fledgling Hong Kong airline. It has an existing 12.5 per cent stake in Cathay Pacific, the colony's main carrier.

Mr Larry Yung, Citic Hong Kong's managing director, said last night he expected to announce within a few days that Citic has finalised arrangements to buy 20 per cent of Hong Kong Telecommunications from Cable and Wireless of the UK for about HK\$100m (US\$13m), funded by bank loans and warrants.

It is also looking at other deals after a quiet period last year when its Peking parent was under a cloud because of corruption investigations and foreign exchange difficulties.

Tyfoll will take over Citic Hong Kong's 38 per cent Dragonair holding. It is also likely to be given Citic's stakes in AsiaSat, which is to launch a communications satellite in April, as well as its involvement in Hong Kong's second cross-harbour tunnel and possibly a power station in China. The Tyfoll name will be changed to Citic later if it proves successful on Hong Kong's stock market.

Citic already has a stock exchange presence in Hong Kong through its rescue four years ago of the small Ka Wah Bank, but this has not been regarded as an active vehicle for Citic.

The Tyfoll and Dragonair deals have been structured by Peregrine Brokerage so Citic finishes up with a cash surplus of about HK\$11.4m. This is important at a time when Citic is finalising substantial borrowings to finance the Hong Kong Telecom stake and when China's ratings are low.

Tyfoll is a property development company owned by the Chao family, which is also involved in Dragonair.

Elders Resources bids for rest of Oakbridge

By Chris Sherwell in Sydney

ELDERS Resources NZFP, the resources affiliate of Elders IXL, yesterday announced an unconditional cash bid for Oakbridge, the coal mining group in which it already has a 49 per cent stake.

The bid, at 80 cents a share, values the company at more than A\$180m (US\$142m), and Elders Resources says the aim of the larger investment is to give it an incentive to help Oakbridge compete.

Oakbridge now needs access to greater financial muscle and a broader marketing base to realise its potential. Mr Geoff Lord, chief executive, said in a statement yesterday.

That could be achieved by strengthening the link with Elders Resources, he said, which was committed to taking part in the rationalisation of the New South Wales coal industry.

He pointed out that Oakbridge and the Australian coal industry had gone through an uncertain period. "The key problems of an unfavourably high Australian currency, high rail freight charges and the maintenance of current buoyant coal prices remain."

The offer is being made through NZFP Holdings, a subsidiary, and is not subject to any minimum acceptance condition. The bid will be funded from "monies held on deposit for this purpose."

Oakbridge operates a number of general purpose coal mines in the Lithgow area some 85 miles west of Sydney. Last year it acquired Elders Resources' coal interests in the nearby Hunter Valley, a consolidation which gave it an annual capacity of almost 10m tonnes of coking and steaming coal.

Shiprepairer to raise \$3100m in Japan

KEPPEL, the Singapore shiprepairer, is to raise more than \$3100m (US\$55.4m) by a private placement of shares in Japan representing 4.5 per cent of its expanded equity. Our Financial Staff writes.

Novel idea grew into big deals with China

John Elliott on the family behind Peking's move into the Hong Kong stock market

The Shanghai-born Chao family has been good friends of China since the family built up its wealth from nothing in Hong Kong's textile industry with a company called Novel Enterprises.

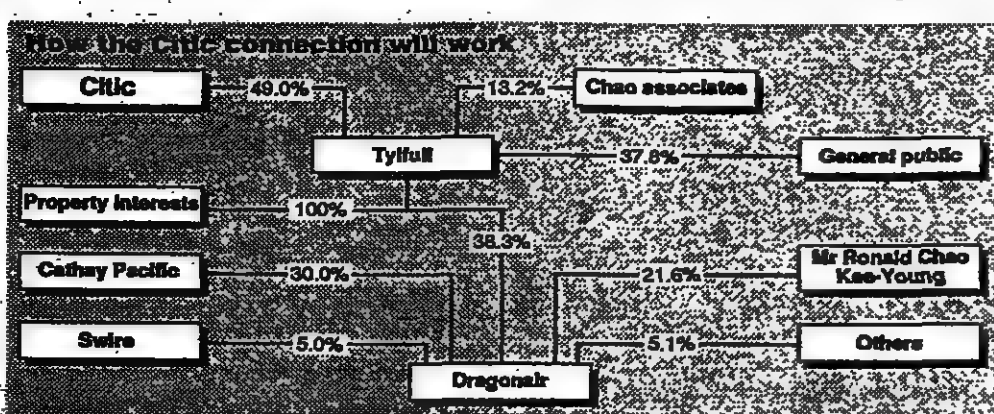
It started one of the first joint ventures in southern China in 1979 before the province of Guangdong had become industrially fashionable. Now it has a far-flung manufacturing presence in many parts of the country.

In 1985 it started fostering Peking's interests in the colony when it created Hong Kong Macao International Investment (HKMI) with mainland backing, plus finance from Hong Kong's top tycoons.

HKMI quickly spawned Dragonair, the colony's fledgling airline, with grand ambitions. Earlier this week it facilitated the joint takeover of the loss-making Dragonair by the Peking-controlled China International Trust and Investment Corporation (Citic) and the Swire group's Cathay Pacific Airways. Yesterday it sold Tyfoll, one of its quoted companies, to Citic so the Chinese state entity can obtain its first active listing on the Hong Kong Stock Exchange.

During the 1980s many Hong Kong Chinese families have gone back to their roots to earn recognition from Peking by reestablishing links - ahead of China's resumption of sovereignty over the British colony in 1997.

Some, including big names like Mr Li Ka-shing and Sir Yue-Kong Pao, have concentrated on founding charitable institutions such as universities and hospitals. Others have



started joint ventures and many have done Peking favours. Few have done as much as the Chao, or have been so visibly useful.

"For my father (Mr Chao Kuang Hui), who founded our group here, China has sentimental value," says Mr Ronald Chao, the 50-year-old managing director of Novel Enterprises who was educated in Japan and the US. "He has always been venturesome and has had a desire to do things in China because that's where the family came from in the early 1950s."

Mr Ronald Chao is more conscious of his links with the US and Europe where there are two sisters and one brother, and he is changing the emphasis of business decisions away from sentiment.

"It was not for my father we would not be doing so much in China. As second generation Hong Kong people we do not always agree with him, but we respect him," he says. After fleeing penniless to

Hong Kong, the Chao pioneered wool spinning and sweater knitting and Mr Chao says Novel is now one of the biggest companies in that business "in this part of the world."

Floated in 1987, Novel is more than 60 per cent owned by the Chao. Sales of HK\$2bn (US\$256m) are expected in 1989-90. Profits have been hit by world conditions and Hong Kong's high labour costs, but Novel has suffered less than many of its competitors because of the way it has managed investment and used cheap labour in mainland China and elsewhere.

Last year it shipped 12m sweaters, 40 per cent of them produced in Hong Kong, 25 per cent in nearby Macao, and 20 per cent in both China and Mauritius (where it has gone for export quota reasons).

Its first 1979 joint venture was in Zhuhai, now a small special economic zone next to

Macao. "We were the first there when China didn't even have a word for compensation trade," says Mr Chao. "It was a deal made at a banquet in Peking by my father during a discussion on how to increase China's exports."

Now there are 10 or more joint ventures and processing factories stretching from other parts of Guangdong to Shanghai, Xiamen and Manchuria. In the special economic zone of Shenzhen adjacent to Hong Kong a US\$30m dyeing and finishing plant is being built as joint venture with Japan.

Other ventures in China are run by subsidiaries of the family's other major business interest, the privately owned K.P. Chao. They include stakes in hotels in Shanghai and Peking, two television tube projects with Philips and Toshiba in Nanjing and Shanghai, and other chemicals, pharmaceuticals, trading and technological developments.

But the highest profile Peking move came in 1985

when the Chao started HKMI to boost investment in Hong Kong. The colony's confidence was at a low point and they were joined by other top entrepreneurs, all at the behest of Peking.

Tyfoll, the company taken over yesterday by Citic, was spun off and Dragonair was started (with the Chao in charge) as a Hong Kong Chinese venture to challenge the British-owned Cathay Pacific.

But the politically influential Swire family which controls Cathay Pacific fought back much harder than had been expected against the local Chinese. "They floated Cathay to give it Hong Kong colour and then Citic invested in Cathay as well," says Mr Chao ruefully. The government was persuaded to adopt a "one route, one airline" policy, which blocked Dragonair from international expansion, and even an injection of Sir Y.K. Pao's money and influence failed to improve prospects.

That situation lasted until late last year when, after months of behind-the-scenes talks involving all the participants, Sir Y.K. sold out and the Chao temporarily enlarged their holding till this week's deals were ready.

So where does the family go now? Mr Chao says part of its wealth is being invested in assets abroad "for a rainy day" - a euphemism for 1997 and afterwards.

"We want diversification outside Hong Kong but we also want to be where we can get the best returns and Hong Kong is still the best for that."

US\$100,000,000

MARINE MIDLAND BANKS, INC

FLOATING RATE
SUBORDINATED CAPITAL NOTES
due 1999



For the three months 19th January 1990 to 18th April 1990 the Note will carry an interest Rate of 8 7/8 per cent per annum with a Coupon amount of US\$24.06 per US\$10,000. Interest payment date 19th April 1990.

HONGKONGBANK LONDON LIMITED
INTEREST DETERMINATION AGENT

Correction Notice to Noteholders
Prospect International
High Income Portfolio N.V.
Up to U.S. \$82,500,000
Senior Floating Rate
Notes due 1998
(of which U.S. \$41,250,000
has been issued)
Notice is hereby given that the
Interest Rate for the period from
14th January, 1990 to 14th
February, 1990 is 8.55%. The
Floating Rate Note Interest
Amount payable on 14th Feb-
ruary, 1990 is U.S. \$7.36 per
U.S. \$1,000.
Bankserv Trust
Company, London Agent Bank

Den Danske Bank
AF1871 AS

¥4,000,000,000

Floating Rate Notes
Due 1994

Notice is hereby given that the
Rate of Interest for the Interest
Period from 19th January, 1990
to 19th July, 1990 is 6.80%
per annum.
Interest payable on
19th July, 1990 will
amount to ¥337,205 per
¥10,000,000 principal amount
of the Notes.

Agent Bank
The Long-Term Credit Bank
of Japan, Limited
Tokyo

NMB POSTBANK GROUP

Nederlandsche Middenstandsbank nv

and

Postbank N.V.

have merged to form

NMB Postbank Groep N.V.

The undersigned acted as financial adviser to
Nederlandsche Middenstandsbank on its merger with Postbank

S.G. Warburg & Co. Ltd.

NMB POSTBANK GROUP

NMB Postbank Groep N.V.

Offer of
28,000,000 Ordinary Shares to bearer
of NLG 10.00 nominal amount each
at NLG 46.50 per Share
by
The State of The Netherlands

The undersigned acted as financial adviser to
NMB Postbank Group in connection
with the above international share offer

S.G. Warburg Securities

This announcement appears as a matter of record only

December, 1989



KYMMENE CORPORATION

US\$200,000,000 Multicurrency Term Loan

Arranged by
Scandinavian Bank Group
Underwriters and Lead Managers

The Bank of Tokyo, Ltd.
BHF-Bank
Citibank, N.A./Citicorp Investment Bank Limited
Credit Suisse
Scandinavian Bank Group plc

Funds provided by

Scandinavian Bank Group plc
The Bank of Tokyo, Ltd.
Credit Suisse
The Nippon Credit Bank, Ltd.
Union Bank of Switzerland

BHF-Bank
Citibank Oy
The Mitsubishi Bank, Limited
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Authorised 22,050,000
Issued and fully paid 20,130,791

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Merrill Lynch International Limited
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25 Ropemaker Street
London EC2Y 9LY

Euromoney Publications PLC
Ropemaker Place
Playhouse Yard
London EC4V 5EX

Dated: 19 January, 1990

CREDIT D'EQUIPEMENT

DES PETITES ET MOYENNES ENTREPRISES

up to U.S. \$200,000,000
Guaranteed Floating Rate Notes
Due 1996

For the six months 17th January, 1990 to 17th July, 1990 the Notes will carry an Interest Rate of 7 3/4% per annum and Coupon Amount of U.S. \$311.72 per U.S. \$4,000 Note, payable on 17th July, 1990.

Bankers Trust Company, London

Agent Bank

INSPECTORATE INTERNATIONAL FINANCE N.V.
US\$ 75,000,000

3 1/2% Guaranteed Bonds due 1993 with Warrants attached to purchase Bearer Participation Certificates of

ADIA S.A.

ADJUSTMENT OF EXERCISE PRICE

Notice is hereby given that as a result of the extraordinary distribution related to the merger Inspectorate International Ltd. with Adia S.A. which became effective on December 4, 1989, the exercise price of old S.A. 348.- has been adjusted to new

Sfr. 338.- effective December 18, 1989

SWISS BANK CORPORATION, Basle
as Fiscal and Warrant Agent

January 1990
EC No. 15729

GT APPLIED SCIENCE FUND LIMITED

Registered Office:
Bank of Bermuda Building,
6 Front Street,
Hamilton HM11, Bermuda.

Please be advised that the Directors of the above Fund have determined that dealings in the shares of the Fund be resumed with effect from 16th January 1990.

David T. Smith
SECRETARY

For further information please contact:
G.T. Management PLC,
8th Floor, 4 Desborough Square,
London EC2M 4JY
Tel: 01-426 4741 Telex: 8952669
Facsimile: 01-426 6198

G.T. Management PLC is a member of GTSB

TSE Hill Samuel Bank
Holding Company plc
(Formerly Hill Samuel Group plc)

ISSUE OF 100,000,000
Floating Rate Notes due 2016

In accordance with the provisions of the Notes, notice is hereby given that for the Interest Period from 16th January, 1990 to 16th July, 1990 the Notes will carry a Rate of Interest of 3 1/4% per annum and that the interest payable on the relevant Interest Payment Date, 16th July, 1990 will amount to US\$119,000.00 (Note US\$11,900,000.00) per US\$100,000,000.

Agent Bank
Morgan Guaranty Trust Company of New York
London

SEB

CALOR. ROWENTA. SEB. TEFAL

1989 CONSOLIDATED SALES

Preliminary sales - FF million	1989	89/88
- FRANCE	2,662	+ 11 %
- ABROAD	4,116	+ 45 %
TOTAL	6,778	+ 30 %

Without Rowenta, net sales increased by 13% (+ 1.5 % in France, + 28 % abroad).

FOOD INDUSTRY

The Financial Times proposes to publish this survey on:

6th March 1990

For a full editorial synopsis and advertisement details, please contact:

Jonathan Wallis
on 01-477 3522

or write to him at:

Number One
Southwark Bridge
London
SE1 9HL

FINANCIAL TIMES
LONDON'S BUSINESS NEWSPAPER

Manufacturers Hanover Corporation
U.S. \$100,000,000
Floating Rate Subordinated Notes due 1997

In accordance with the provisions of the Notes, notice is hereby given that the Notes will carry an Interest Rate of 8 1/4% per annum for the period 17th January, 1990 to 17th April, 1990 with a coupon amount of U.S. \$212.50 for the U.S. \$100,000 denomination and will be payable on 17th April, 1990 against surrender of Coupon No. 19.

Bankers Trust Company, London Agent Bank

INTERNATIONAL CAPITAL MARKETS

CFTC boost for futures trade in UK stock indices

By Deborah Hargreaves

THE Commodity Futures Trading Commission has said it will allow US institutions to use futures contracts on UK stock indices as part of a no-action clause agreed by the US futures and securities regulators.

The CFTC's action paves the way for greater US involvement in the futures market on the FT-SE 100 index which trades on the London International Financial Futures Exchange.

Greater US participation in the contract could account for around a 10 per cent increase in activity, some traders estimate.

Activity on the FT-SE 100

futures has seen rapid growth in the past year on the back of more foreign interest. The contract's volume increased by over 100 per cent last year to just over 1m lots.

Liffe, along with several UK brokerage firms, has been lobbying hard for the US regulators to recognise UK stock indices in a bid to sell them to US customers. Foreign stock indices and debt futures require special arrangements before they can be marketed in the US.

The CFTC and Securities and Exchange Commission approve foreign stock indices for use if they can satisfy certain broad criteria: if they are broad-based and if they are not susceptible to manipulation. US institutions are not allowed to trade Japanese stock indices.

The CFTC move was given an enthusiastic welcome in London and several brokers said they would increase their marketing efforts in the US as a result.

Mr David Burton, chairman of Liffe, said it was extremely welcome news. "It will allow US investing institutions, in particular US pension funds, to use Liffe's FT-SE 100 index futures contract in their investment strategies for the first time."

LIT completes sale of stake in Levitt Group

By Deborah Hargreaves

LIT HOLDINGS, the UK-based futures and finance group, announced yesterday it completed the sale of its 33 per cent stake in the Levitt Group back to Mr Roger Levitt for £15m.

The sale comes just months after LIT acquired its stake in Levitt for £17m (\$28m) in October last year and follows a restructuring of LIT by its new chairman, Mr Christopher Caselman.

LIT's subsequent purchase of Johnson Fry at the end of last year had given the group a presence in the personal finance market.

Mr Roger Levitt says he plans to increase the group's presence in New York after expanding in Europe. LIT is restructuring the recent acquisition in a bid to streamline the company and improve its market image.

Bank Julius Baer profits jump 21%, payout lifted

By William Dullforce in Geneva

BANK JULIUS BAER, Zurich, reports a 21 per cent jump to Sfr44.7m (\$26.6m) in 1989 net earnings. It plans to celebrate its centenary this year by raising the dividend to Baer Holding, its parent, from 19.5 per cent to 23 per cent.

Consolidated net earnings of the Julius Baer group climbed by 28 per cent to Sfr60m with cash flow advancing by 26 per cent to Sfr102m.

Baer Holding, whose fiscal year ends on March 31, also expects to report a considerably higher net profit than the Sfr28.1m posted for 1988/89. The holding company raised the shareholders' dividend from Sfr180 to Sfr190 per bearer share and from Sfr36 to Sfr39 per registered share on the 1989/90 account.

Bank Julius Baer, which specialises in private banking, said all its activities contrib-

uted to the good 1989 result. Cash flow improved by 27 per cent to Sfr151m while the balance sheet total rose by 8 per cent to Sfr4.2m. Capital and reserves amounted to Sfr362m at the end of the year.

During 1988 the bank bought 40 per cent of Banco Espanol de Credito's investment subsidiary in Madrid and set up a wholly owned subsidiary in Frankfurt, Banesto acquired by the bank.

In addition, Baer Holding formed Julius Baer Atlantic, a company specialising in mergers and acquisitions with offices in Zurich, New York and London.

Total assets of the Julius Baer group climbed by 9 per cent to Sfr5.5bn with capital and reserves advancing from Sfr494m to Sfr605m.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

US DOLLAR STRAIGHTS							Closing prices on January 14						
Issued	RM	Offer	day	week	Yield	Change on	Issued	RM	Offer	day	week	Yield	Change on
Alberta 5 1/2% 96	750	98 1/2	99 1/2	0	-1	8.94	Canada 5 1/2% 91	80	99 1/2	99 1/2	0	0	8.72
Alberta 5 1/2% 97	600	102 1/2	103 1/2	0	-1	8.94	Canada 5 1/2% 92	120	102 1/2	103 1/2	0	-1	8.94
Austria 9 1/2% 92	140	102 1/2	103 1/2	0	-1	8.71	Canada 5 1/2% 93	20	91 1/4	91 1/4	0	-1	8.63
Austria 9 1/2% 93	175	98 1/2	99 1/2	0	-1	8.83	Canada 5 1/2% 94	30	91 1/4	91 1/4	0	-1	8.63
B.C.E. 9 1/2% 92	120	101 1/2	102 1/2	0	-1	8.84	Canada 5 1/2% 95	30	91 1/4	91 1/4	0	-1	8.63
B.C.E. 9 1/2% 93	120	101 1/2	102 1/2	0	-1	8.84	Canada 5 1/2% 96	30	91 1/4	91 1/4	0	-1	8.63
B.C.E. 9 1/2% 94	250	101 1/2	102 1/2	0	-1	8.87	Canada 5 1/2% 97	30	92 1/4	92 1/4	0	-1	8.85
Canada 9 1/2% 96	2000	102 1/2	103 1/2	0	-1	8.81	Canada 5 1/2% 98	50	93 1/4	93 1/4	0	-1	8.78
C.C.E. 9 1/2% 92	120	101 1/2	102 1/2	0	-1	8.83	Canada 5 1/2% 99	50	93 1/4	93 1/4	0	-1	8.78
C.C.E. 9 1/2% 93	120	101 1/2	102 1/2	0	-1	8.83	Canada 5 1/2% 00	50	93 1/4	93 1/4	0	-1	8.78
C.C.E. 9 1/2% 94	120	102 1/2	103 1/2	0	-1	8.98	Canada 5 1/2% 01	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 92	250	99 1/2	99 1/2	0	-1	8.66	Canada 5 1/2% 02	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 93	250	99 1/2	99 1/2	0	-1	8.66	Canada 5 1/2% 03	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 94	120	102 1/2	103 1/2	0	-1	8.74	Canada 5 1/2% 04	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 95	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 05	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 96	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 06	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 97	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 07	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 98	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 08	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 99	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 09	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 00	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 01	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 01	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 02	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 02	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 03	50	100 1/4	100 1/4	0	-1	9.06
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Credit National 7 1/2% 07	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 08	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 08	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 09	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 09	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 10	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 10	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 11	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 11	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 12	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 12	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 13	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 13	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 14	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 14	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 15	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 15	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 16	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 16	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 17	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 17	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 18	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 18	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 19	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 19	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 20	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 20	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 21	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 21	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 22	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 22	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 23	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 23	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 24	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 24	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 25	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 25	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 26	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 26	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 27	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 27	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 28	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 28	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 29	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 29	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 30	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 30	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 31	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 31	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 32	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 32	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 33	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 33	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 34	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 34	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 35	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 35	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 36	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 36	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 37	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 37	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 38	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 38	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 39	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 39	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 40	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 40	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 41	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 41	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 42	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 42	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 43	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 43	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 44	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 44	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 45	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 45	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 46	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 46	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 47	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 47	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 48	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 48	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 49	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 49	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 50	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 50	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 51	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 51	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 52	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 52	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 53	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 53	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 54	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 54	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 55	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 55	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 56	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 56	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 57	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 57	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 58	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 58	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 59	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 59	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 60	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 60	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 61	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 61	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 62	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 62	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 63	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 63	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 64	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 64	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 65	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 65	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 66	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 66	120	101 1/2	102 1/2	0	-1	8.74	Canada 5 1/2% 67	50	100 1/4	100 1/4	0	-1	9.06
Credit National 7 1/2% 67	120	101 1/2	102 1/2	0	-1								

INTERNATIONAL CAPITAL MARKETS

Hints of tight monetary policy hit US Treasuries

By Janet Bush in New York and Martin Dickson in London

THE YIELD on the benchmark long bond yesterday jumped to its highest level since June 1988 as the market reacted to hints from two influential US Federal Reserve governors that they would not support any further easing in monetary policy.

GOVERNMENT BONDS

At mid-session, the long bond was quoted 1/2 point lower, having stood a full point lower earlier. Short-dated maturities were quoted as much as 1/2 point lower. The comments about monetary policy came from Mr Wayne Angell - which were in fact made a week ago - and Mr Manuel Johnson, vice chairman of the Federal Reserve Board. Both governors, who have been at the forefront of previous easing moves, suggested that they did not anticipate a recession and both cited the recent rise in long bond yields as an indicator that the market is in the grip of inflation fears.

Their remarks were interpreted as hints that they no longer supported another downward move in interest rates. Their comments dominated the mood of the bond market which virtually ignored yesterday's economic news which should have been encouraging for Treasuries.

The Consumer Prices Index rose by 0.4 per cent in December, the same gain as in November and slightly lower than forecast. Housing starts fell 8 per cent in December, having declined by a revised 3.7 per cent in November. The White House called on the Fed to ease interest rates in response to these figures which it said showed economic weakness and steady inflation.

Clearly, the rise in bond yields suggested the market believes the Fed will not heed this call. The apparent end to the easing process lifted the price of Treasuries.

Other major world government bond markets yesterday

continued their downward slide of the past two weeks on fears of rising inflation and interest rates. In Britain, the general international bond market gloom intensified domestic concern over inflationary pressure and the benchmark Treasury stock due 2008/07 ended the day at 105 1/2, down 1/2 for a yield of 10.81.

In the futures market, the March long gilt contract fell to a new low in early trading and ended the day at 87.24, against an overnight level of 88.13, a high of 88.06 and a low of 87.16. The release of statistics showing unemployment and average earnings figures in line with expectations failed to stem the bearish pressures, nor did news that workers at a plant run by Ford - which is embroiled in a pay dispute - had called off an unofficial strike.

Meanwhile, the London International Financial Futures Exchange has announced that it is halting trading in medium and short term gilts futures with immediate effect because of minimal trading activity.

West German government bonds led the way in a weak market and fell further, with a thin cash market being led by heavy volume in futures, where the 119 bond contract saw over 51,000 contracts struck.

Analysts were unable to attribute the downward slide

to any particular new factor. Reasons cited included fears of tighter domestic credit policies, the general bear trend around the world continuing concern over developments in the Soviet Union and some short covering later in the day.

The federal government's 7 1/2 January 2000 bond was fixed at 97.10, down from 97.57 on Wednesday, and in late trading was quoted at 96.90, for a yield of 7.706 per cent.

The French bond market proved more resilient than other centres, with the OAT 8 1/2 of May 1989 closing at 81.30, down 20 cents, for a yield of 9.55. Factors cited included better than expected trade figures. The yield differential at 10 years against West Germany has now shrunk to around 180 basis points.

Japanese government bonds fell sharply in Tokyo on rumours that money supply figures, due to be released today, would be very poor, possibly showing double-digit growth, and that this would prompt a further increase in the discount rate. The rumours also suggested this would be followed by a West German rate hike.

Some analysts felt it unlikely that there would be another rate increase ahead of February's elections, but the benchmark 119 bond closed in Tokyo with a yield of 8.845, compared to 8.835 on Wednesday. In late trading in London the bonds were quoted at 6.92.

Salomon Bros chief retires after 17 years

By Stephen Fidler

THE HEAD of European fixed income new issue and syndicate activities at Salomon Brothers, Mr Sheldon Pringle, has retired after 17 years with the firm.

Mr Pringle moved to London as manager of the European syndicate department in 1977, and was appointed to his current position in 1987. He will remain as a consultant.

Speg plans to issue shares with warrants

By George Graham in Paris

SOCIETE Parisienne d'Entreprises et de Participations (Speg), the principal holding company of France's Schneider group, plans to raise FF887m (\$155m) through an issue of shares with warrants, and to follow up with an issue of convertible bonds.

The group, which has interests ranging from construction to electrical engineering, plans a one-for-eight rights issue at a price of FF500 a share, a discount of 17 per cent to its current price in the stock market. This will raise FF422m.

Each share will carry one warrant, with three warrants entitling the holder to subscribe to one new share at a price of FF400 before March 31, 1993. This could raise up to FF286m more on exercise.

At the same time, Speg plans to launch a convertible bond issue, on conditions which have not yet been fixed. Speg owns 60 per cent of Schneider, which in turn controls Spie Batignolles, the quoted construction company.

Merlin Gerin, manufacturer of electrical distribution equipment, Jeumont Schneider, maker of electric turbines and transformers, and Telemecanique, the industrial automation specialist which it bought for FF7.6m after a lengthy bidding battle in 1988.

Schneider itself, which is forecasting 1989 net profits of FF450m, issued a FF22m convertible bond last year, and Speg had to borrow heavily to take up its portion of these bonds.

CME seeks block trading go-ahead

By Deborah Hargreaves

THE CHICAGO Mercantile Exchange is trying to improve access for large traders to the futures market with a rule that strikes at the heart of the industry's set-up.

The CME has proposed a block trading rule for futures trades which is similar to the way large traders operate in the securities market.

In a submission to the Commodity Futures Trading Commission, the futures industry regulator, the CME proposed a block trading facility for orders of 300 lots or more in its Standard & Poor's 500 stock index futures contract.

The proposed rule comes in response to a wave of demand by big futures users that they have some way of making large orders without rocking the market.

There have been several initiatives aimed at developing block trading in the futures market, but exchanges have been careful to get around rules that prohibit pre-arranged and

upstairs trading. The CFTC is generally keen to promote block trading initiatives, particularly in the wake of the 1987 stock-market crash where huge waves of orders swept down prices in Chicago.

The industry regulator has just closed a comment period on the block trading rule and now has six months to decide whether to pass it. But it has encountered much opposition from other market players - most notably the Chicago Board of Trade - which says the CME's rule runs against the principles of open outcry, on which the futures markets are based.

The CME has tried to make its block trading rule compatible with open outcry trading by requiring that once the trade is agreed, it must be offered to the relevant trading pit so that traders have the chance to make counter-offers on all or part of the order.

The order must be announced through an exchange official although the agreed price would not be disclosed to the trading pit. Once pit traders have had an opportunity to bid on the order, the rest of the order can be crossed upstairs as previously agreed.

The fact that the price is not disclosed enables the trader bringing the order to the pit to accept only those bids or offers at a price equal to or more favourable than he has already agreed.

The CME says the rule will meet the needs of its institutional clientele, particularly the managers of pension funds and mutual funds. It will help to minimise the impact of institutional trading on the marketplace which is increasingly becoming dominated by large players.

An initiative to introduce sunrise trading at the New York Futures Exchange in 1987 was an earlier attempt to accommodate block trades in

futures but the experiment never got off the ground as it required complete disclosure of the order size and price before it could be agreed upon.

The CME spent over two years working out how to provide a facility for block trades and at the same time, satisfy a need for openness in the market.

The CFTC, which is considering the issue carefully, is concerned that it does not lead to the development of a two-tier market where large traders will be able to obtain better prices.

But the agency has given a clear indication that it would like to see more flexibility in the futures market and not stand in the way of innovation.

Although the rule will initially be applied as a pilot programme in the exchange's S&P 500 futures pit - if it receives CFTC approval - the CME says it could apply in its currency and Eurodollar futures contracts if it is a success.

Soviet Union launches DM500m issue

By Stephen Fidler

THE SOVIET UNION braved both investor worries about ethnic unrest in the country and a weak West German bond market to bring its fourth D-Mark denominated Eurobond issue yesterday.

The DM500m issue for the

Bank for Foreign Economic Affairs of the USSR carried an 8 1/2 per cent coupon, a five-year maturity and a par issue price.

Even with the support of the lead manager, Westdeutsche Landesbank, the issue traded for much of the day below its 2 per cent bid.

At the close, it was bid at a discount of 2 1/2 per cent, compared with around 7.70 per cent on the 10-year Bund.

On the first day's trading, dealers said there appeared to be little interest in asset swapping, but some saw attractive possibilities - swapped into floating rates, the bonds could yield 100 basis points over London interbank offered rates.

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	First	Book runner
D-MARKS						
Bank for Foreign Econ. Aff. USSR(a) 8 1/2	500	8 1/2	100	1995	2 1/2	WestLB Morgan Stanley
Great Brit A/S(b) 8 1/2	200	8 1/2	100	2000	30/10/90	
STERLING						
British Telecommunications 6 1/2	200	6 1/2	100	2000	1 1/2	Shearson Lehman Hutton
Compagnie Generale d'Electricite 6 1/2	200	6 1/2	100	1995	1 1/2	J.P. Morgan Sec
SWISS FRANCES						
SMAC Canada(a) 7 1/2	150	7 1/2	101 1/2	1997	n/a	UBS
City of Montreal(a) 7 1/2	125	7 1/2	100	2000	n/a	Wirtschafts- und Privatbank
Tokyo M&C Co. 7 1/2	110	7 1/2	100	1995	n/a	Credit Suisse
Genbank(a) 7 1/2	75	7 1/2	100 1/2	1995	n/a	Credit Suisse
YEN						
Toronto-Dominion Bank(Canada) 6 1/2	75m	6 1/2	101 1/2	1993	1 1/2	Sunamitsu Trust Int.
AUSTRIAN SCHILLINGS						
Austria, Republic of(a) 10	50n	10	100	1993/2002	25/20/90	Raffaelsen Zentralbank

(a) Private placement. (b) With equity warrants. (c) Floating rate. (d) Final terms. (e) Non-callable. (f) Coupon pays 6-month LIBOR flat. Call at 100 after 5 years and on coupon dates thereafter. (g) Issue increased from £150m. Additional £100m on tap. Coupon pays 3-month LIBOR flat. Put from 1991 at 98.50 increasing 50p p.a. thereafter. (h) Renewable every three years from 1993. Call Feb. 1993 at 100 and on coupon payment dates thereafter. Coupon pays 1/2 under 3-month Victor.

Traders said the issue would have appeared well priced in a more normal market, but the background worries made for a difficult reception. The Soviet Union made two D-Mark issues last year following its first in 1988.

The only other issue in D-Marks was a DM200m floating rate note for Great Brit, a company operating a road-rail link between two Danish islands, came late in the day. The lead manager quoted the issue, which is guaranteed by Denmark, at 98.50 bid.

Into a sterling bond market, which sunk again since the

board, British Telecom brought a 10-year zero-coupon issue through Shearson Lehman Hutton. According to traders, the issue apparently met a reasonable reception, despite the uncertainty about the outcome of the bonds, perhaps in Europe, was suspected. Shearson said it had sold half the issue itself.

With its 10-year duration, the zero coupon is said to be the longest duration bond in the sterling market, making it volatile and attractive for any investors turning bullish on

sterling bonds. It was priced at 127 basis points over the 9 per cent gilt of 2008. This was equivalent to 50-55 basis points over the 9 per cent gilt with the same maturity.

In Sweden, the launch of three new fixed-rate issues underlined the oversupply in the primary market. Recent issues lost about 1/2 point in the grey market.

An increase in the Swiss mortgage rate added to fears about the general environment of rising interest rates. The best received of yesterday's crop appeared to be the SFR75m issue for DSL Bank.

LONDON MARKET STATISTICS

RISES AND FALLS YESTERDAY			
British Funds	Rise	Fall	Same
Corporations, Dominion and Foreign Bonds	179	64	4
Industrial	75	304	318
Financial and Properties	21	24	44
Dix	126	59	69
Others	33	59	117
Totals	371	1,173	1,423

LONDON RECENT ISSUES									
Issue	Amount	Price	Yield	Term	Rating	Lead	Book	First	Final
1000 F.F.	100	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
200 F.F.	200	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
300 F.F.	300	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
400 F.F.	400	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
500 F.F.	500	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
600 F.F.	600	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
700 F.F.	700	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
800 F.F.	800	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
900 F.F.	900	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
1000 F.F.	1000	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90

FIXED INTEREST STOCKS									
Issue	Amount	Price	Yield	Term	Rating	Lead	Book	First	Final
100 F.F.	100	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
200 F.F.	200	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
300 F.F.	300	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
400 F.F.	400	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
500 F.F.	500	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
600 F.F.	600	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
700 F.F.	700	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
800 F.F.	800	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
900 F.F.	900	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
1000 F.F.	1000	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90

RIGHTS OFFERS									
Issue	Amount	Price	Yield	Term	Rating	Lead	Book	First	Final
100 F.F.	100	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
200 F.F.	200	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
300 F.F.	300	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
400 F.F.	400	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
500 F.F.	500	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
600 F.F.	600	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
700 F.F.	700	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
800 F.F.	800	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
900 F.F.	900	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
1000 F.F.	1000	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90

TRADITIONAL OPTIONS									
Issue	Amount	Price	Yield	Term	Rating	Lead	Book	First	Final
100 F.F.	100	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
200 F.F.	200	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
300 F.F.	300	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
400 F.F.	400	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
500 F.F.	500	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
600 F.F.	600	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
700 F.F.	700	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
800 F.F.	800	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
900 F.F.	900	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90
1000 F.F.	1000	100	10.81	10/11/90	A	WestLB	Shearson	10/11/90	10/11/90

LONDON TRADED OPTIONS

Trading 620 contracts.

Among the stock options, turnover in Ferranti was boosted just before the close, as Tullett and Tokyo brought 1,000 January 40 puts at 13p and 2,000 January 60 puts at 33p. The bearish option trade came as the underlying equity dropped 11 to 28p, as Thomson's 1,000 January 40 puts were called. The May 300 call series was the busiest, trading over 900 lots.

British Telecom also featured, with CitiCorp particularly active, transacting 1,500 option contracts. The trades were said to be closing existing bear positions and establishing fresh bear positions. Total market BT turnover amounted to 2,888 contracts, of which 1,811 were calls and 1,077 were puts. The May 300 call series was the busiest, trading over 900 lots.

Options

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UK COMPANY NEWS

Spanish store helps cushion Mountleigh fall

By Paul Cheeseright, Property Correspondent

FINAL OBSEQUIES over the reign of Mr Tony Clegg, once a stock market hero, at Mountleigh, the property trading and investment company, were observed yesterday in the form of reduced interim profits.

But there were few new clues about the direction of the company under the effective control of Mr Nelson Peltz and Mr Peter May, US entrepreneurs better known for their former association with Mr Michael Milken, once the champion of the junk bond market, than for their European property expertise.

Pre-tax profits for the six months to October 1989, the last reporting period before Mr Clegg resigned, were £20.4m, or 54.4m less than the same period of 1988. They would have been substantially lower had it not been for the consolidation since last April of Galerías Preciados, the Spanish department store which is Mountleigh's largest asset.

Property sales were sharply

down at £128.9m from £450.4m and rental income slipped to £12.7m from £15.5m. An unchanged interim dividend of 1.25p is payable from earnings per share of 5p (5.6p).

Mr Peltz and Mr May have been reviewing all Mountleigh's activities since they took over in November with a 25.5 per cent stake. Given that Mountleigh's property development programme is at an early stage, full-year results depend on whether they set off a programme of asset disposals.

Galerías Preciados, with gross property assets of £73.6m, is expected to be sold or floated off during the next financial year. This will release funds to take advantage of what Mr Peltz and Mr May called "opportunities as they arise".

But property sales under current conditions in the British market could be difficult. Mountleigh has sold no property of significance in its second half so far.

The problems for property companies of the slowdown in activity were emphasised yesterday by Rockfort, which announced that, for the period to the end of last December, it did not expect to generate a substantial addition to the £2.79m earned before tax in the half-year to June.

From November onwards Rockfort found that tenants were reluctant to lease new buildings and institutions were holding back from the purchase of completed properties or the funding of developments. "People are sitting tight waiting to see where yields move to," said Mr Roger Smees, the chairman.

These corporate announcements added to the general gloom around the property sector on the stock market. Mountleigh's price was 4p lower at 157p, while Rockfort lost over 18 per cent of its market capitalisation by falling 9p to 46p.

See Lex

Wassall lifts MCG stake to 40% after market raid

By Andrew Hill

WASSALL, the mini-conglomerate bidding for Metal Closures Group, has picked up nearly 10 per cent of the print and packaging group's shares in the market.

Together with 29.9 per cent already committed to Wassall's 180p cash alternative by Suter, the industrial holding company, the purchases give the predator control over nearly 40 per cent of its prey.

Wassall's cash-and-shares bid, which closes next Wednesday, is worth about £50m, or 185p per share, against MCG's unchanged closing price of 183p yesterday. Wassall has acquired about 2.55m shares, or 9.96 per cent, at just under 200p each, but will be unable to buy more shares in the market without making a cash offer for the outstanding MCG equity at the same level.

Wassall speculates that MCG's share price, which stood at 157p before the bid was launched in November, would have collapsed without the takeover approach.

The group also claimed in yesterday's letter that MCG could not continue the dividend policy indicated by its December forecast without wiping out shareholders' funds.

MCG, which makes metal and plastic bottle-tops as well as plastic packaging, had to forecast a decline in 1989 profits and earnings before Christmas. In its defence, MCG argues that it is now poised to benefit from recent heavy investment, which it says was necessary to exploit the European market. MCG is expected to issue its final defence document today.

Mr Michael Hunter, chairman and chief executive, will become executive chairman and consultants have been appointed to seek a new chief executive, while Mr Paul Baker has resigned as finance director. He remains director of corporate affairs and company secretary.

Mr Hunter said the group had had to spend over £1m on unbudgeted overtime establishing the Corby factory after original production staff at the main plants were unable to sell their homes and move to the area.

Training of new staff had set back the original schedule by four or five months, he said.

Symonds rises 70%

Symonds Engineering raised pre-tax profits 70 per cent from £181,461 to £223,172 in the six months to September.

Sales rose to £2.84m (£2.23m) and earnings to 1.42p (0.81p) per share. The interim dividend is 0.45p (0.3p).

On Wednesday its shares, which had fallen 18.9 per cent since the announcement that JF Nash Holdings had an

A bid one brick shy of a full hod

Ray Bashford on the prospects for Lovell's offer for Higgs and Hill

MR ANTHONY HIGGS, deputy chairman of VJ Lovell, appeared a worried man as he swept out of his banker's offices last Wednesday morning on the way to one of the final presentations to institutions.

With the closing date for the hostile £167m takeover offer for Higgs and Hill only three days away, Mr Higgs could not disguise his concern that his company's bid for its competitor in the housing and construction industry would fail.

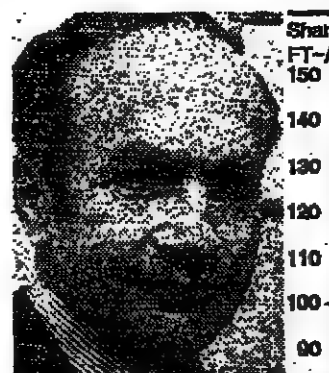
Only a late surge of support from institutions could spare Lovell defeat and the word filtering out of the City is that the company is having considerable trouble arguing its case that the cash and share offer price is sufficient.

Lovell strengthened its position on Wednesday afternoon when its holding in Higgs and Hill was increased slightly above 20 per cent through a second foray into the share market. But Higgs and Hill directors were confident yesterday that by tomorrow afternoon when the offer closes they would be boasting victory and continued independence.

When launching the offer, Lovell set the tone for a head-to-head encounter between two middleweights in the industry, by revealing that Mr John Adams, the then deputy chairman of Higgs and Hill had defected and had pledged support to the offer.

There are two quite different accounts of what led up to Mr Adams' fall-out with Sir Brian Hill, the chairman of Higgs and Hill. However, it is certain that mid-way through last year the managements of both sides saw the potential commercial logic of a merger and held a series of meetings to discuss the possibility.

Sir Brian says Lovell was not talking about a merger but a takeover. Mr Higgs replies



Sir Brian Hill

Anthony Higgs

that Higgs and Hill walked out because senior management, while recognising the logic, feared for their jobs. Mr Adams agrees.

The "two plus two equals five" argument has been central to Lovell's case. It has argued that by fitting the companies together a new force in the housing and construction industry would be created, capable of facing the challenges from intensified international competition in the UK.

Higgs and Hill's construction business, with a long history of success and respect within the industry, was the target of Lovell's attention. In one swoop, Lovell reasoned, the industrial force which would take years to grow organically could be made overnight.

Lovell argued that its more robust management style would inject new life into the construction business which it claimed was resting on its achievements rather than pushing forward in preparation for changes in the industry.

Mr Higgs says that Higgs and Hill's forecast of an annual pre-tax contribution to profits of £8.7m from its construction division is ample evidence of

under-achievement, especially after a comparison with housing, which, even in the relatively depressed economic climate, is expected to return £71m.

Leading City analysts who have recommended rejection principally on the grounds that the offer undervalues Higgs and Hill, have found great difficulty accepting the argument for the bid's commercial logic.

While the merged group would be elevated above a band of medium-sized companies, it would still lack the critical mass to compete on an equal footing with seniors in the industry such as Wimpey, Taylor Woodrow and Farmax.

By fully integrating the group, Lovell believes that it could make overhead savings of up to £8m during the first year. This would negate the possibility of any dilution in earnings through the cash and share bid.

Based on yesterday's closing price, the offer values Higgs and Hill's shares at 48p. However, this price is artificial because the rise in Lovell's shares which has taken place during the past few weeks is largely due to the belief that the bid will fail, removing fears

that there would be a dilution in earnings. Smith New Court, the securities house, concluded that the shares have a "fundamental" worth of 450p, after valuing the contracting and housing on an earnings basis and property on a discount to assets.

The offer leaves little premium for control at a time when there is evidence that the entire sector is in the midst of renewed support in the stock market.

There is a strong belief among some institutions that Lovell made a mistake in failing to include a cash offer which would be free of the vagaries of market conditions and doubts about the wisdom of holding shares in a merged group. However, the impact that a cash offer would have on gearing rendered this alternative impossible.

While the offer appears doomed, Sir Brian cannot be happy that Lovell could walk away retaining the 10 per cent holding that it purchased through the market. This is hardly a destabilising stake but it will inject a speculative element in the share price at a time when bid activity in the industry could accelerate.

HunterPrint warns of losses

By Andrew Hill

SHARES IN HunterPrint Group, which touched 230p two days ago on rumours of an impending bid, fell 60p to 130p yesterday after the specialist printing company revealed it would make a loss for the year to October 1.

HunterPrint has suffered badly after moving its magazine and catalogue division to a new factory in Corby.

In September, it said annual profits would be some £4.5m lower than the 1987-88 figure of £5.45m before tax. But problems in the group's financial

control systems, exacerbated by the installation of a new computer system, concealed the true extent of start-up costs and losses. The company will now announce "a substantial loss for the second half" at the end of this month.

The group has also changed its original forecast that it would recommend a final dividend of 7p. Now the final dividend will be no more than 1p, which would make 4p for the year, against a 1987-88 dividend of 10p.

To help relieve the problems

HunterPrint is to sell its financial printing division for between £2.4m and £2.8m, including the intra-group loan account, to City Communications Group, a privately-owned specialist printer. The division made £402,000 before tax in the 53 weeks to October 2, 1988, but in the first half of 1989 profits had slumped to just £12,000.

Mr Michael Hunter, chairman and chief executive, will become executive chairman and consultants have been appointed to seek a new chief executive, while Mr Paul Baker has resigned as finance director. He remains director of corporate affairs and company secretary.

Mr Hunter said the group had had to spend over £1m on unbudgeted overtime establishing the Corby factory after original production staff at the main plants were unable to sell their homes and move to the area.

Training of new staff had set back the original schedule by four or five months, he said.

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Colefax near-doubled at £1.42m

By Clare Pearson

A FULL six-month contribution from Cowtan and Tout, a US company bought in October 1988, boosted interim results of Colefax and Fowler, the home furnishings company.

Yesterday the company announced pre-tax profits almost doubled at £1.42m (£717,000) in the six months to end-October.

Earnings per share emerged about 22 per cent higher at 4.83p (3.96p). Mr David Green, chief executive, said this was roughly equivalent to the level of organic profits growth.

Sales to the UK trade and in the US now account for some 75 per cent of the total. Mr

Green said the company had seen no signs of a downturn in UK operations, where it has just two retail outlets.

"At this stage, I'm still looking for 20 per cent organic growth in the company this year," he said.

Sales throughout the US grew by about 22 per cent. Plans are being made to introduce Colefax and Fowler boutiques into Cowtan and Tout showrooms during the year.

UK trade sales rose by 26 per cent. Losses have been stemmed at Jane Churchill, the fabrics and furnishings business bought for its name last May for £1.06m. Mr Green said the operation should break even in the full-year.

A new Colefax and Fowler range is currently being designed by L.M. Kingcome, the upholstered furniture manufacturer acquired last September for £1.4m.

Turnover throughout the group, which sells in continental Europe and Australia as well as the UK and the US, rose to £18.2m (£8.3m).

The interim dividend is set at 1.3p (1.1p). Remaining proceeds of last autumn's £8.5m rights issue, some 80 per cent of which was taken up by shareholders, are expected to be used for further small acquisitions as opportunities arise.

Allied Textile nets Mackay for £7.6m

By Nikki Tait

ALLIED TEXTILE Companies, the Rutherford-based wool textile group, has secured the acquisition of Hugh Mackay, the Durham-based carpet manufacturer, for £7.6m, just one third of the price it nearly paid 14 months ago when it alerted its bid.

Mackay announced on Tuesday that it was in bid discussions, after its shares rose sharply. There was widespread speculation that ATC, which had retained its 39 per cent stake in the carpet group, was the bidder.

Last night, ATC unveiled an agreed bid, which offers shareholders 100 shares in ATC for every 285 Mackay shares owned. There is a cash alternative of 117p per Mackay share and a second interim dividend of 3p per share in respect of 1989.

Shareholders speaking for 25.7 per cent of Mackay's shares have given irrevocable undertakings to accept the bid, giving ATC overall control of 54.7 per cent.

Under the previous bid, ATC's cash terms were worth 380p per share. The bidder withdrew its offer under a condition of the agreement allowing it to pull out if material adverse changes to Mackay's trading position or prospects came to light.

Mackay subsequently reported a profits fall in 1988 and went into the red in the first six months of 1989. Debt at end-1989 rose to £28m.

Mackay shares fell 10p to 122p yesterday.

Exceptionals give Denmans a boost to £2m

By Clare Pearson

DENMANS Electrical achieved a profits rise of 24 per cent to £2.08m pre-tax for the year to end-September 1989. The figure this time, however, included exceptional credits of £252,000.

Following a property revaluation, net assets increased by 43 per cent to 188p. The company's shares, which are traded on the USM, closed 7p higher at 215p.

Turnover pushed ahead from £27.45m to £34.14m and earnings emerged 5.67p higher at 32.56p per share. A final dividend of 3.55p makes a 5.5p (4.55p) total.

Turnover in the opening quarter of 1989-90 was up on last year's level.

Thompson to quit NFC chair at end of year

By Clare Pearson

SIR PETER Thompson is to step down as chairman of NFC, the transport, distribution and travel group, at the end of this year. His successor is to be announced at the annual meeting on February 25.

NFC also said yesterday it planned an American Depositary Receipt programme enabling North American shareholders to exchange their shares for ADRs, which the company proposed to list on the American Stock Exchange in April 1990.

The main aim is to give North American shareholders, chiefly employees of Allied Van Lines, the US removals business acquired in 1988, the same facilities as their UK counterparts.

NFC, a product of an employee buy-out which floated on the London market a year ago, has remained strongly committed to the tradition of employee share ownership.

NFC also said yesterday that it would propose a scrip issue at the annual meeting. This is aimed at lowering the share price and keeping it within the reach of first-time buyers, particularly new employees. The proposed issue is on a one-for-two basis.

The announcements came in an introductory letter to the notice of the annual meeting posted to shareholders yesterday.

UniChem struggle takes toll on Macarthy

By John Thornhill

MACARTHY, the wholesale and retail pharmacy group, recorded a slim 6 per cent advance in pre-tax profits, from £6.14m to £6.5m in the year to September 30, as it struggled to shrug the effects of its tussle with UniChem, a rival wholesaler.

Stripped of a net exceptional profit of £257,000, the profits gain was less than 2 per cent. Turnover was down by 12 per cent at £233.4m (£279.45m).

During the year, Macarthy

spent £795,000 contesting UniChem's controversial share incentive scheme, which effectively locked pharmacists into buying its products. The Monopolies and Mergers Commission last May declared this scheme to be anti-competitive and Macarthy tried to win compensation from UniChem for lost business.

However, a confidential settlement was reached with UniChem last December. Mr Ian Parsons, who became Macarthy's chief executive following the resignation of Mr Nicholas Ward in August, said the UniChem episode was now over and the company could concentrate on running its businesses. "It is a long-running saga which I think has run out," he said.

Mr Ward is taking legal action against Macarthy over a disputed severance payment. Macarthy said its pharmaceutical wholesaling activities continued to recover from the UniChem affair, although losses in the veterinary wholesaling business reduced the division's operating profits to £1.33m (£1.54m).

The manufacturing division, which had been earmarked for sale, is to be retained after no suitable buyer came forward. Mr Parsons said that after savings turned round and was now trading profitably. With the group's agency activities, the division contributed £2.95m (£2.72m) to operating profits.

The retail division, with 207 outlets, is being refocused to provide services and products more closely tailored to the areas in which they are located. Operating profits grew from £4.37m to £5.16m. Earnings per share were

slightly ahead at 16.1p (15.9p). A final dividend of 7.5p is proposed, bringing the annual payment to 12.5p (11.5p).

COMMENT

It is hard to discern the underlying performance of Macarthy's businesses through the swirling mists of the UniChem controversy and the management ructions that led to the resignation of Mr Ward. The company has undoubtedly faced more than its fair share of external woe, but Macarthy must shoulder criticism itself as it has failed to get a grip on some activities - the veterinary wholesaling business in particular has been allowed to drift alarmingly. The new management appears to offer a rigorous approach to running the company and the emphasis on the retailing side promises a brighter future. But this year pre-tax profits may only advance to £7m, putting Macarthy on a fairly demanding prospective multiple of about 13. The company's good dividend yield and the value of its retailing businesses will help underpin the share price, but it is unlikely to show any great advance until the management can provide firmer evidence of the virtues of its strategies.

DIVIDENDS ANNOUNCED					
	Current payment	Date of payment	Corresponding dividend	Total for year	Total last year
Allied Leisure	1.1	May 4	0.54	1.65	
Anglo TV	0.8375	Feb 27	0.5	1.3375	
City of Oxford	1.31	Mar 15	1.1	2.41	
Colefax & Fowler	3.5		3.5	7.0	
Davenport Vernon	3.05		3.05	6.10	
Denmans Elect	5.67		5.67	11.34	
Group Dev Cap	0.2		0.2	0.4	
Jarvis	0.225		0.225	0.45	
Macarthy	7.5		7.5	15.0	
Mountleigh	1.25		1.25	2.50	
Soundtracs	1.35		1.35	2.70	
Stanley Leisure	2	Feb 23	1.75	3.75	
Symonds Eng	0.45		0.45	0.90	
Wilton Int	2		1.825	3.825	

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡USM stock. §Unquoted stock. ¶Third market. ♣ For 6 months to end-December 1989.

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UK COMPANY NEWS

Halpern expects another 'tough year' for Burton

By Robert Chote

SIR RALPH Halpern, presiding over the annual meeting of Burton Group, showed few visible signs of poverty after a year in which he had to stomach a \$97,000 pay cut — a second successive fall.

Sir Ralph's salary, which last year left him to survive on \$899,000, is linked to the growth rate of Burton's earnings per share. If, as he told the meeting, "1990 is going to be a tough year," his belt may have to tighten still further.

Sir Ralph said retailers faced "the most challenging period of change we have seen in the past 20 years." He claimed that Burton was well prepared, pointing to the fact that sales since the start of September were 5.5 per cent up on 1988-89 in spite of difficult trading conditions.

Like Big Brother, Sir Ralph beamed at his shareholders from numerous television monitors, while sensitive microphones relayed the directors' every word around the hall, whether intended for shareholders' ears or not.

Shareholders were not only concerned with the trading position. Sir Ralph, like Lord Hanson last week, was forced to defend his green credentials.



Sir Ralph Halpern: salary down to \$899,000 as retailers face the most challenging period of change in 20 years

Shareholders were impressed to discover that Burton had banned smoking and the sale of fur, introduced ozone-friendly cleaning materials and converted all company cars to unleaded fuel.

One shareholder applauded the presence of Ms Margaret Salmon, Burton's lone female associate director, on the platform.

He then suggested that the appointment of Mrs Edwina Currie, now less than fully employed, as a non-executive director would strike a further blow for sexual equality.

Sir Ralph agreed that women had an important role to play in the Burton Group.

Exhibition buys for Blenheim and United Newspapers

By Vanessa Houlder

TWO COMPANIES yesterday announced the acquisition of overseas exhibition organisers in separate takeover deals exceeding £35m.

United Newspapers, the publishing group, is buying Mentor Marketing Services, a Netherlands-based trade exhibition organiser, for a maximum £17.5m (£23.32m).

Blenheim Exhibitions Group, an international exhibition company, is buying both Bobbin, an exhibition and magazine group, and Spectrum Shows, a franchise exhibition organiser, for a maximum £17.5m (£23.32m).

Mentor Marketing Services, which trades as Expoconsult, has 27 trade exhibitions in seven European countries and in Singapore.

It will add to United Newspapers' portfolio of exhibitions and conferences, which already includes MGB Exhibitions in the UK and four other companies in the US.

United Newspapers is paying an initial £1.35m for Mentor. This may rise to the maximum consideration depending upon profit performance.

The acquisition will be satisfied by the issue of 4.5m shares, to be placed in the market at 42.5p apiece.

Expoconsult is warranting pre-tax profits of £1.925m for 1990. Net assets to be acquired are negligible.

Blenheim said that its expansion in the US would complement its existing position in the UK, France and West Germany.

The company first entered the UK market last spring with the £1.8m acquisition of Don Palladino Franchise Shows, a series of franchise shows and exhibitions.

Blenheim is now buying the Bobbin businesses, which include both Bobbin International and Bobbin Media, for a total consideration of £15.57m (£21.37m).

Bobbin International runs the Bobbin Show exhibition for the clothing manufacturing industry, and Bobbin Media publishes trade magazines covering clothing manufacturing in North and South America.

Spectrum, based in California, organises consumer oriented franchise and business opportunity exhibitions.

The consideration is an initial £1.8m with a further payment of up to £3.15m payable by November 1992, depending on profitability.

Bobbin, based in South Carolina, achieved pre-tax profits of £1.53m in 1988.

Spectrum, based in California, made unaudited pre-tax profits for the 11 months to July 28 of £17,708.

Higher ad income lifts Anglia TV to £18.5m

By Andrew Hill

ANGLIA TELEVISION Group, ITV franchise holder for the east of England, last year increased advertising revenue by 14 per cent, but warned that there had been a slowing of growth in advertising income in the second half.

In the year to October 31, pre-tax profits rose from £16.05m to £18.45m. However, operating costs increased due to changes in the pricing system for networked programmes and greater investment in drama, cutting pre-tax margins slightly from 15 to 14.5 per cent.

Sir Peter Gibbins, chairman of the group, which also has stakes in local radio stations and is a founder shareholder of British Satellite Broadcasting, said the group was pleased to have increased its slice of the national TV advertising cake — the average rise in advertising revenue was only 9 per cent for other ITV franchise holders — but he said that sales growth had continued to

slow in the opening months of 1989-90.

"The size of the advertising cake and the number of curators in it in 1990 is difficult to predict, but we would anticipate that our slice would continue to grow," said Sir Peter yesterday.

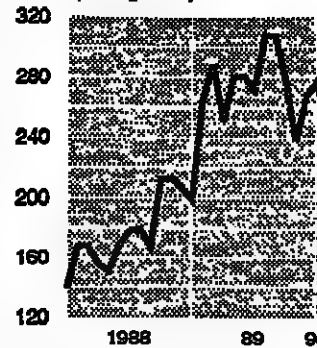
Turnover during the year rose from £107.31m to £127.61m with the help of increased investment income, up from £2.98m to £5.45m and boosted by a special dividend of £768,000 paid by Independent Television Publications (ITP), the publisher of TV Times.

Earnings per share were up from 23.3p to 27.93p and the company recommended a final dividend of 6.4p (5.4p) making 3p (7.75p) for the year.

The group reported an extraordinary profit of £5.51m in 1988-89 — £6.44m made from the sale of shares in ITP, less the cost of closing the Anglia sales department, which has been combined with Central

Anglia TV

Share price (pence)



Independent Television's airtime sales operation and floated off as a separate company.

COMMENT

Anglia's shares are unlikely to be particularly exciting performers this year, indeed, the group's profits could even slip below the 1988-89 figure

because of the new pricing of networked programming and a change in the means of calculating the exchequer levy. That should not worry Anglia's shareholders unduly. Anglia is still in a growing area of the country, it has a strong regional identity, and there is £24m of cash on the balance sheet. Like most other existing franchise-holders, Anglia has tied in key executives and broadcasters until after the 1992 auction of franchises with a share option scheme — on a smaller scale than the London Weekend Television incentive programme, says Sir Peter Gibbins. Uncertainty still surrounds the sector in advance of details of the Broadcasting Bill later in the year, but investors bent on investing in TV (and, indirectly, local radio) could do worse than buy Anglia shares, which slipped 3p to 259p yesterday. Assuming static pre-tax profits for 1989-90, they are on a prospective multiple of about 2.5.

Stanley makes £1.3m provision against stake in Leisure Invs

By Andrew Bolger

STANLEY LEISURE Organisation, the bookmaker, casino and snooker club operator, has made an extraordinary provision of £1.3m against the drop in the value of its 2m share stake in Leisure Investments.

Leisure Investments, from which the Forsyth brothers resigned as chairman and finance director in November, has seen its share price fall from 1988 high of 11p to just 2p. Most shareholders have accepted a recommended all-share offer by Bear Brand, the hostelry group.

Stanley reported a 74 per cent increase in pre-tax profits to £4.22m in the six months to October 29, with turnover up

87 per cent to £70.08m.

Mr Leonard Steinberg, chairman, said much of the growth was due to the acquisition last March of five Brent Walker casinos for £23.7m, but the rest of the businesses had enjoyed organic growth of about 10-12 per cent.

Stanley this month acquired eight more provincial casinos from Leading Leisure and Mr Steinberg confirmed that it was no longer interested in acquiring a casino in London. It recently pulled out of negotiations to buy Aspinall's casino in Mayfair after provisionally agreeing to pay £17m.

Stanley was now concentrating on bookmakers and in December bought 88 betting

shops in the Irish Republic from Mecca Bookmakers. Turnover was benefiting from the installation, in 91 branches so far, of a television "Stanley Sportline" service, giving results and betting offers.

Mr Steinberg said the snooker and printing divisions continued to produce reasonable results, but the question of Stanley's long-term future in snooker remained under review. Two of the company's snooker clubs were doing very well, but the other two were struggling.

Earnings per share rose some 7 per cent to 9.58p (9.94p), and the interim dividend is increased to 3p (1.75p). The shares eased 2p to 243p.

Lowndes refinancing deal near

By Maggie Urry

DETAILS OF the £70m refinancing package for Lowndes Queensway, the debt-laden furniture and carpet retailer, chaired by Mr James Gulliver, are expected shortly, possibly today.

The company's directors and advisers were in meetings yesterday, but the bank which backed the £450m buy-out of Harris Queensway in August 1988, from which Lowndes was formed.

The company denied reports

that Mr Gulliver had walked out of a board meeting at Charterhouse on Wednesday night. Mr Gulliver had gone out to dinner, it said, but returned to the bank and remained in meetings until the early hours of yesterday morning.

It is understood that there have been no serious hitches in putting the package together, but that it has taken longer than expected to finalise the documents.

In December the company

said a package had been agreed in principle and details would be announced by mid-January. Rumours have circulated that Mr Gulliver may resign as part of the package.

Also today, Magnet, the kitchen and bedroom furniture retailer, is expected to release a circular giving further details of the refinancing announced after Christmas, and of its trading performance in the year to April 1 1989 and the half-year to September 30.

NEWS DIGEST

83% jump at Allied Leisure

ALLIED LEISURE, the USM-quoted fast food restaurant and leisure complex operator which recently changed its name from Allied Restaurants, has lifted pre-tax profits 83 per cent from £215,000 to £392,000 in the 23 weeks to December 30.

At the operating level, profits from its Wimpy-franchised restaurants, now agreed to be sold to Grand Metropolitan for £13m, declined to £392,000 (£1.09m), while profits in the leisure division leapt from £199,000 to £1.1m.

Earnings doubled to 4.91p (2.49p), as did the interim dividend which was set at 1.1p.

Mr Richard Carr, chairman, said that the company had opened four MegaBowl ten-pin bowling centres and three theme bar/restaurants in the period.

A nightclub was opened in November and contracts had been exchanged for the purchase of another.

He said the company had made "progress in achieving its stated strategy to become a more broadly based leisure and catering group".

Witan Investment NAV up at 114.8p

Net asset value per fully adjusted ordinary share of the Witan Investment Company amounted to 191.3p at December 31 1989. The figure for the warrants stood at 114.8p compared with 92.4p at end-April 1989.

The company has changed its year-end to December for the eight months to December 31 returned attributable earnings of £12.64m (£11.31m for the 12 months to end-April 1989).

A final dividend of 2p makes an eight months total of 3.625p (3.125p for period).

Mitie expands to £262,000

Mitie Group, formerly known as Highgate & Job Group, raised its profits from £76,000 to £262,000 pre-tax for the half-year to end-September.

The results this time were those of the engineering division only whereas those for the comparative period

were for the chemical division only.

Turnover of the enlarged group expanded from £759,000 to £7.4m and earnings rose from 3.7p to 4.9p per share.

The directors said the recent acquisitions of Multicote Painting Contractors and Mitie Cleaning and Maintenance Services should contribute significantly to future growth.

They added that the group would return to the dividend list as soon as was practicable — the last payment was in 1978.

Further advance at Borland Intl

Borland International made a further strong advance in profits in its third quarter to December 31. The pre-tax figure of £4.02m (£2.44m) compared with \$845,000 in the previous comparable period.

The latest results followed on from profits of \$5.9m in the six months to September 30 against a \$5.77m loss in the first half of 1988 when the Californian-based software company, quoted on the USM, restructured to control expenses.

In the latest quarter, revenues rose from \$23.2m to \$30.2m and for the nine months



Richard Carr, chairman of Allied Leisure

Select Appointments buys back shares

Select Appointments, the USM-quoted restaurant agency, is proposing to buy back 5 per cent of its own shares in order to give them to staff as part of a share incentive scheme. It is hoped that the purchase will also enhance earnings per share.

The proposal needs the approval of shareholders, but the directors, who speak for about 43.3 per cent of Select's

shares, have already said they unanimously support the scheme.

Sintrom chief executive resigns

Mr Terry Cave, chief executive of Sintrom, the Reading-based computer services and networking company, has resigned after disagreements with Mr Tom Dalzell, chairman, over management style and the speed of group expansion.

Mr Dalzell said he felt that Mr Cave, formerly the UK managing director of US computer giant Control Data, had a "remote" management style.

"It's like putting the captain of a liner in charge of a small ship," he said. He also felt that Mr Cave wanted the company to expand too quickly.

Mr Cave said he was used to subsidiary management having more autonomy than Mr Dalzell would allow.

Soundtracs hit by slack second-half

A second half downturn resulted in reduced profits at Soundtracs, the audio equipment manufacturer, in the year to November 6.

The pre-tax balance dipped from £222,344 to £75,557. The first half had displayed a 30 per cent rise to £217,000.

Mr Todd Wells, chairman of this USM-quoted company, attributed the decline to costs of establishing new markets and some \$95,000 spent on additional research.

Turnover rose 10 per cent to £4.02m (£3.65m). The recommended final dividend of 1.35p maintains the total for the year at 2.3p on earnings per 5p share of 4.86p (5.32p).

Jarvis more than doubled at £1.07m

Jarvis, the construction and property company, more than doubled pre-tax profits from £453,000 to £1.07m for the half year to September 30.

Mr Harvey Bard, chairman, said Jarvis' gearing of "around 10 per cent of shareholders' funds" was "ideally placed" to take advantage of existing market opportunities.

In spite of declining construction industry demand, turnover also increased, by 75 per cent from £20m to £35m.

After tax of £385,000 (£228,000) earnings per share stood at 3.8p (2.2p). The interim dividend is raised to 0.825p (0.75p).

HYOSUNG (AMERICA), INC.

US \$ 30,000,000 Guaranteed Floating Rate Notes due 1991

Irrevocably guaranteed by HYOSUNG CORPORATION and TONGYANG NYLON CO., LTD

In accordance with the provisions of the Floating Rate Notes, notice is hereby given as follows:

Interest period: 17th January, 1990 to 17th July, 1990

Interest payment date: 17th July, 1990

Interest rate: 6.50% per annum

Coupon amount: US \$ 10,000.00 per Note of US \$ 250,000

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BASS shareholders have approved the acquisition of the Holiday Inn business in North America and a reduction by £170m in the company's share premium account.

BOG GROUP: Mr Richard Giorgio, chairman and chief executive, told the annual meeting that the first quarter results would be announced on February 9 and the company was on track for another year of increased profits and earnings.

CITYGROVE is to acquire 75 per cent of Circa Leisure, a leisure and fitness centre, for an initial £289,706 with a further amount up to £2m, to be satisfied by loan

notes maturing in 1995, dependent on Circa's future pre-tax profits. Citygrove also holds an option to acquire a further 20 per cent stake for £300,000 in cash.

EGERTON TRUST has acquired Ryeford, a Surrey-based householder, for £2.3m cash, having exercised the option bought in November for £300,000.

EPICURE INDUSTRIES has reduced its borrowings by £2.5m, and gearing to 35 per cent. There was a sale and leaseback arrangement for £1.5m, being the balance of the sale of a company.

FISONS, the pharmaceuticals, horticulture and scientific equipments group, has received acceptances representing 94.5 per cent of the capital in VG Instruments, 69 per cent owned by BAT Industries.

FOSECO has bought the mining product business and certain assets of Chemfix Australia for £3.2m cash. Chemfix makes roof bolt anchorage capsules.

FUTURA has acquired property at Hunters Walk, Chester, for £500,000. It will be held as an investment and negotiations are underway with prospective tenants.

GARTMORE AMERICAN Securities: Net asset value at December 31 was 49.67p. This investment trust reported net assets of £961,053 for nine months to the end of 1989.

Earnings 2.6p per share and interim dividend of 2.5p declared.

GEI INTERNATIONAL has acquired Ateliers Ed Courtoy, a Belgian manufacturer of high-speed tablet pressing machinery, and Oskar Kreiger Maschinen and Metallbau, a Swiss manufacturer of mixing equipment used for processing creams and ointments. Consideration for Courtoy was BF265m (about £4.8m) cash. Total consideration to be paid

for Kreiger was SF2.2m (about £1.2m) of which SF2.2m was paid in cash.

GODWIN WARREN Control Systems, which went into receivership last September, said that the Inland Revenue has accepted that the 25p ordinary shares are of negligible value within the meaning of Section 22 (2) of the Capital Gains Tax Act 1979. The shares were suspended at the end of August at 8p.

MARLING INDUSTRIES has established a West German holding and management subsidiary which has paid DM2m for the flexible container division of Gebrüder Friedrich, the

INVESTORS IN INDUSTRY GROUP PLC.

Inc. in England under the Companies Acts 1948 to 1967, Reg. No. 1142830

£75,000,000 Floating Rate Notes 1994

For the three month period 17th January, 1990 to 17th April, 1990.

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 15 1/2 per cent per annum and that the interest payable on the relevant interest payment date, 17th April, 1990, against Coupon No. 22 will be £1,910.96 from Notes of £50,000 nominal and £191.10 from Notes of £5,000 nominal.

S.G. Warburg & Co. Ltd. (Agent Bank)

COMMODITIES AND AGRICULTURE

Mixed reviews for London oil futures late show

Steven Butler samples reactions to longer hours on the International Petroleum Exchange

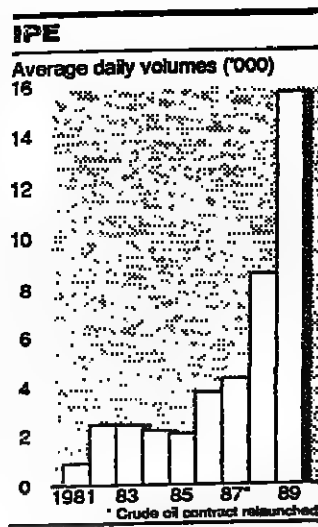
THE INTERNATIONAL Petroleum Exchange is ending its first week of extended-hours trading with mixed reviews from members of the exchange, many of whom find themselves working 12-hour days in what can be a tension-filled business.

The exchange floor is now open from nine in the morning until eight in the evening, with the extra evening hours added on so the market would close at the same time as the New York market.

Although many months of trading will be needed for a final judgement, views on the longer hours appear split between the big international trading firms that can generate extra business in the evening from American customers, and the smaller houses whose clientele is principally in Europe.

"The whole point of it is to get more American business," says Mr Lindsay Horn, of Drexel Burnham Lambert, which is launching a road show in the US in the coming weeks to market IPE futures contracts and drum up business.

"It means you have to go and knock on doors," he says. The IPE has been a great success story since 18 months ago, when the Exchange relaunched its Brent crude oil



contract. The Exchange got the contract specifications right, and coming at a time of high oil price volatility and dispersion in the market, it has drawn in a lot of business. However, while the US contract has the advantage of exceptionally high liquidity and its wide use in the highest consuming market, it has drawbacks as well. WTI is not exported and is subject to special factors affecting the US market which may not apply internationally. Last year an anomalous divergence between cash and futures prices developed when there delivery problems. Some US refiners will pay what appears to be an unreasonable premium because their equipment is fine-tuned to process this grade of crude. Production of WTI is also declining.

The first adjustment to trading hours came when the IPE ditched the quiet practice of closing for lunch last year.

That allowed US traders to take positions on the London exchange as soon as they arrived at work, an hour or so before the opening of the New York Mercantile Exchange. The Nymex trades contracts in West Texas Intermediate Crude, as opposed to North Sea Brent Oil, but traders can often make money by taking positions in both contracts, or using one in place of the other. (Both exchanges offer contracts in gas oil, or heating oil, while the Nymex also has a popular gasoline contract.)

However, while the US contract has the advantage of exceptionally high liquidity and its wide use in the highest consuming market, it has drawbacks as well. WTI is not exported and is subject to special factors affecting the US market which may not apply internationally. Last year an anomalous divergence between cash and futures prices developed when there delivery problems. Some US refiners will pay what appears to be an unreasonable premium because their equipment is fine-tuned to process this grade of crude. Production of WTI is also declining.

Brent on the other hand is the most widely traded international crude oil, and can end up in refineries in Europe or in

North America. Although Brent too can respond to local factors, such as last year's sudden shutdown of the Brent production system following an accident, it is more likely to reflect broad, international supply and demand factors than WTI.

This is not to suggest that the WTI contract is a feeble instrument, far from it — rather that it does not serve all purposes. The usefulness of the IPE contract could expand considerably if, as is currently under discussion, Brent oil is blended with Nulmar oil, a similar North Sea crude, thus greatly increasing the amount of oil underlying the contract. This would make it nearly impossible for a single trader to squeeze the forward market by buying up all available contracts and thus reduce risks for traders.

Mr Saeed Barkhordar, an IPE director who has strongly backed the extension of hours, says the evening trading has two principal advantages. First, his fluctuations in oil prices often occur near to the closing time of the Nymex, thus, at least in theory, leading to a loss of potential trading volume at the IPE since trading tends to surge during times of rapid price movement.

Second, US participants in the oil futures market were discouraged from taking positions in Brent on the IPE because they could protect themselves in event of big price changes in New York after IPE hours. This increased the risk of keeping open positions on the exchange, thus driving away American business.

However not all participants are convinced by these arguments.

"The late session seems to have killed off a certain amount of morning business," says Mr Chris Pugh, of GNI, the futures house.

Previously IPE traders adjusted their positions in the morning in order to take account of the previous night's movement on the Nymex or in the Far East. Although Mr Pugh believes there could still be net increase in trading volume of between 5 to 10 per cent, this would be unlikely to compensate most trading houses, or the Exchange itself, for the extra staff everyone will need to cope with the long working hours, which will require the introduction of shifts.

Mr Pugh says that most of the IPE members are unenthusiastic about the lengthened trading hours, in part because

of what it does to their personal lives. For most of the IPE members the extended trading hours may promise little new business because their clients are primarily European and will have gone home in the evening.

Mr Peter Wildblood, IPE chief executive, however, says the first week is an unqualified success. Some 40 per cent of trading now takes place in the evening, he says, and because the balance of trading between morning, noon, and afternoon, has not altered, he believes this is additional business. A 40 per cent rise in trading would certainly make the extension of hours an unqualified success.

Mr Horn says the extended hours haven't affected his working day significantly. Drexel worked late anyway to monitor the US and cash markets.

Even before trading hours were extended, few observers doubted the IPE was still on a growth path and continued growth *per se* is no way to measure the impact of extended trading hours. In the long run, success will be measured by how many new US customers are brought in and any increase in the proportion of exchange trading coming from US sources.

EC seeks to defuse 'cattle madness' row

By Bridget Bloom, Agriculture Correspondent

THE FOOD and animal health scares which have dogged the British Government for much of the past year will assume a political dimension within the European Community next week when Agriculture Ministers try to resolve the hitherto largely technical controversy between the UK and Germany over the so-called "mad cow" disease, bovine spongiform encephalopathy.

Farm ministers will be asked by the European Commission to endorse proposals which it sees as treading a middle road between German contentions that unless EC rules are tightened imports of British beef could present a health hazard to German consumers and Britain's assertion that its beef exports are perfectly safe.

The Commission will ask the Ministers to act on two fronts: tightening the rules to prevent the export from Britain of all live cattle — for slaughter or for breeding — over the age of six months and in return, asking Germany to lift its import restrictions on British beef.

The controversy over BSE, a disease of the nervous system which has killed over 9,000 cows in Britain, where it appears unique, has rumbled on since early November. Britain's initial ban on all UK beef exports was amended in mid-December to permit only imports of boneless beef with

all nervous tissue removed. Following a Commission decision in July 1989, exports of live cattle from Britain have been confined to animals born after that date.

Britain has respected the restrictions on live cattle exports but insists that no more are needed. On beef its reply has been that its measures to control BSE, which include the destruction of infected cattle and mandatory removal of suspect offals, mean beef exports are safe.

Farm ministers are being asked to try to resolve the issue following the failure of the EC's expert Standing Veterinary Committee to do so in three meetings, the last of which ended on Wednesday. To prevent the proposal to tighten restrictions on live cattle exports becoming law, seven member states must oppose it. Only three supported Britain this week in the SVC.

On beef exports, the dispute focuses on the findings of a scientific report to the SVC. Britain asserts that this supports its contention that current safeguards are sufficient while German officials claim they do not know for enough.

In 1988 UK beef exports to the EC were worth £208m, while 266,000 animals worth £43m were exported.

Maize farmers seek action on US subsidies

By David Buchan in Brussels

EC MAIZE producers yesterday stepped up their call for their complaint against US subsidies for ethanol manufacture, which as a by-product produces cheap maize gluten for animal feed that has been shipped to Europe, to be taken to the General Agreement on Tariffs and Trade.

Mr Marcel Kazale, president of the Confederation of European Maize Producers, said the recent Gatt panel ruling against the EC for paying oil-seeds subsidies was "very encouraging" as a precedent. EC maize producers had seen duty-free imports of cheap maize gluten rise from 100,000 tonnes in 1979 to 5m tonnes a year later, and they could not wait until the end of the Uruguay Round of the Gatt talks for action, Mr Kazale told his organisation's annual meeting.

The US Government has subsidised the production of ethanol as a clean alternative fuel to petrol. This process, the European maize producers claim, has yielded "a practically free by-product vast quantities of maize gluten that are exported to the EC duty free under arrangements struck before gluten production was significant."

Pakistan admits to sugar shortage

By Christina Lamb

PAKISTAN IS being forced to import sugar to combat an impending shortage caused by rapidly increasing demand, and a shortfall in production both last year and this. Mr Asif Khan Junejo, Chairman of the Trading Corporation of Pakistan, said "we have a substantial need," but refused to release the exact amount required, fearing speculators would move in. Pakistan's sugar traders in Karachi say they expect it to be in excess of 300,000 tonnes.

Yesterday the Trading Corporation of Pakistan began advertising for world-wide tenders to import an unspecified amount to be delivered by March 16 in preparation for Ramadan, when demand is heaviest, and another supply for April to July.

The tenders will be opened on January 27. Rumours of the decision to import helped push up London white sugar futures to an eight-year high last Friday and Mr Junejo said the amount imported would depend on the season's 1.78m, but the Pakistan Sugar Mills Association says this is over-optimistic and point out that even on government figures consumption is now estimated at 2.2m tonnes. Demand has been rising at more than 6 per cent a year

a deficit, so that instead of carrying over the usual 300,000 tonnes it faced current needs for 80,000 tonnes of imports and a further requirement 300,000 tonnes to rebuild up stocks, but that "we expect there may well be a shortfall in this year's production."

The decision came as a surprise after Finance Ministry forecasts of a bumper crop. An earlier crisis in the autumn when prices rose by 40 per cent because of a shortage which the Government blamed on hoarding by sugar mill owners, most of whom are political opponents, was thought to have been dealt with by the import of 80,000 tonnes from Thailand and China and the French Indes.

According to the Federal Bureau of Statistics, sugar imports rose sharply to 186,801 tonnes in the six months since July compared with 24,866 a year earlier.

The Government has forecast production of 2.08m tonnes in the sugar year that began October 1 against last year's 1.78m, but the Pakistan Sugar Mills Association says this is over-optimistic and point out that even on government figures consumption is now estimated at 2.2m tonnes. Demand has been rising at more than 6 per cent a year

and the National Commission of Agriculture estimates that by the end of the decade it will surpass 3.2m.

Mr Junejo claims that a rising population and increased prosperity has in fact put up this year's demand by more than 10 per cent. Pakistan still has one of the world's lowest annual consumptions of sugar at 18 kg a head, compared with an average of over 50 kg in developed countries.

The Government has not faced up to the fact it is losing the battle to achieve self-sufficiency in sugar and policy has been confused.

The last government gave tax incentives to mill owners which made crushing the country's most profitable legal industry. Licences going to President Zia's political cronies. More than three-quarters of Pakistan's 45 sugar mills are owned by politicians who are now in opposition.

When Benazir Bhutto's Government abolished duty on imported sugar and withdrew concessions to the domestic industry last June, home producers complained that it was a deliberate political act aimed at squeezing her opponents, particularly Mr Nawaz Sharif, head of the opposition coalition, whose family owns one of the country's largest mills. The

abolition of tax concessions was made retrospectively and Mr Sharif failed to demand a Rs9m (£3.2m) tax bill which he has challenged in court.

Sugar mill owners argue that the withdrawal of concessions will mean no incentive for higher production so there will be shortages and less revenue. The Government maintains that it had to remove import duty because of rising international prices and claims that there is no shortfall but that mill owners are hoarding to try to get best possible price and embarrass the Government.

Both sides agree, however, that a main cause of the problem is the large amount of smuggling into neighbouring countries of Afghanistan, India and Iran, taking advantage of Pakistan's leaky borders, the large black market and subsidised prices. Mr Abbas Bhat of the Karachi Merchandise Group of commodity traders said "there is no need for sugar imports if the Government stops smuggling."

No government has so far managed to crack down on smugglers and Mrs Bhutto, running an increasingly important administration, is already maintaining a delicate balance which she dare not upset by taking on the powerful tribal chiefs.

Big Canadian lead/zinc mine closes

By Bernard Simon in Toronto

FALLING PRICES and high production costs have forced Cominco, the Canadian metals producer, to close its big lead and zinc mine at Kimberley, British Columbia.

Vancouver-based Cominco, one of the world's leading zinc producers, said the Sullivan mine would close indefinitely on January 31, putting 800 people out of work, equal to about 10 per cent of the company's total workforce. The mine lost \$4.6m (£2.4m) in the last two months of 1989, the company said.

For the past 30 years, Sullivan has been the main supplier of zinc and lead concentrates to Cominco's nearby smelter at Trail. The mine produced 372,000 tonnes of concentrate in 1988. Feedstock from Sullivan will be replaced from Cominco's rich Red Dog mine in north-west Alaska, which began operations late last year, and by other foreign suppliers.

Last July, Cominco cancelled a \$310m expansion of zinc capacity at Trail after failing to persuade the British Columbia Government to reduce the cost of water for power generation. Cominco said Sullivan's economics "will be continually monitored and reviewed."

Volume rises expected to boost Australian earnings

By Chris Sherwell in Sydney

AUSTRALIAN commodity export earnings are expected to rise 7 per cent in the current year as higher mineral earnings outweigh a deterioration in agricultural exports and increases in volumes offset price falls.

The forecast, which covers the year to June 1990, comes from the Australian Bureau of Agricultural and Resource Economics, the Canberra Government's key commodities research arm.

The findings are critical in assessing the prospects of a narrowing in the country's chronic balance of payments deficit, which stands at a record high level of more than 5 per cent of gross domestic product.

According to the bureau, overall commodity exports are expected to reach A\$39bn (£18bn) in 1989-90, up from A\$36.4bn in the year to June 1989. Unlike last year, however, when the increased earnings were due entirely to higher export prices, the projected rise in 1989-90 is a reflection of higher anticipated export volumes.

Export prices of Australian

commodities are expected to fall marginally in 1989-90, despite the assumption of a 4 per cent fall in the value of the Australian dollar. The bureau forecasts the volume of exports to rise strongly, by 8 per cent, reflecting increased production levels, particularly in the mineral resources sector.

The value of minerals resources exports is expected to rise 18 per cent to A\$4.2bn, and will come mainly from coal, crude oil, liquid natural gas, alumina, iron ore and gold. Large falls are expected for alumina and uranium.

The outlook for rural exports, on the other hand, "has deteriorated considerably in recent months," the bureau says, and is now forecast to decrease by 10 per cent to A\$4.9bn. Volumes are expected to fall 5 per cent, continuing a trend evident for the past two years.

The main factor responsible is a large fall in wool exports, which are expected to drop by a third to A\$4bn. This will more than offset significant increases from meat and dairy products, sugar and cotton.

WORLD COMMODITIES PRICES

LONDON MARKETS

NICKEL resumed its major bear trend the LME yesterday, with three-month metal shedding \$450 to close at a fresh two-year low of \$6,517.50, equivalent to \$2.96 a lb. Merchant liquidation, fresh selling and consumer destocking of unwanted metal all contributed to the decline. Three-month aluminium failed to hold above the \$1,550 chart support level in the morning, and further selling emerged during the afternoon to take the price back down to Tuesday's closing level. Zinc prices closed down, but above the day's lower, a little buying interest emerged on news that Peru's Cerro de Pasco zinc/lead mine was paralysed by strike action, dealers said. Copper prices also eased.

Analysis said the base metals complex appeared to be in general retreat which could be halted only by a surge in demand or production cuts.

SPOT MARKETS

Crude oil (per barrel FOB) +0.45
Dubai \$16.50-4.00-0.45
Brent \$16.50-4.00-0.45
WTI (11m est) \$21.57-1.60-0.45
Oil products (NWE prompt delivery per tonne CIF) +0.45
Premium Gasoline \$129-213
Gas Oil \$129-213
Heavy Fuel Oil \$129-213
Naphtha \$129-213
Petroleum Argus Estimates
Other +0.45
Gold (per troy oz) \$413.00
Silver (per troy oz) \$20.00
Platinum (per troy oz) \$500.00
Palladium (per troy oz) \$135.75
Aluminium (three month) \$1,535
Copper (US Producer) 108-109c +1/2
Lead (US Producer) 104-105c +1/2
Nickel (three month) 320c -1/2
Tin (Kuala Lumpur market) 17.80c +0.03
Tin (New York) 308.00c -1/2
Zinc (US Prime Western) 68-69c
Cattle (live weight) 110.00p -1.02
Sheep (live weight) 108.01p +3.77
Pigs (live weight) 81.34p +5.85p
London daily sugar (raw) \$241.85
London daily sugar (white) \$241.85
Tate and Lyle export cane \$232 -3
Barley (English feed) £116
Maize (US No. 3 yellow) £128.5
Wheat (US Hard Northern) £130
Rubber (SIO) 50.0p +0.3
Rubber (RHO) 50.0p +0.25
Rubber (MUR) 50.0p +0.25
Rubber (KLS No 1 Feb) 22.5m +0.5
Coconut oil (Philippines) \$432.5
Palm oil (Malaysia) \$280.0
Copra (Philippines) \$290
Soyabean (US) £172 +1
Cotton "A" index 74.90
Wooltopp (64 Super) 57.3p

COCOA - London FCE

	Close	Previous	High/Low
Mar	627	631	640-628
May	638	642	654-634
Jul	658	662	676-654
Sep	678	682	694-674
Nov	698	702	714-698
Jan	718	722	734-714
Mar	738	742	754-734

Turnover: 9502 (6558) lots of 10 tonnes
ICE 20 indicator prices (\$2000 per tonne). Daily price for Jan 17 756.82 (757.53); 15 day average for Jan 18 750.57 (753.11)

COFFEE - London FCE

	Close	Previous	High/Low
Jan	571	575	578-570
Mar	581	585	588-580
May	591	595	598-590
Jul	601	605	608-600
Sep	611	615	618-610
Nov	621	625	628-620
Jan	631	635	638-630
Mar	641	645	648-640
May	651	655	658-650
Jul	661	665	668-660
Sep	671	675	678-670
Nov	681	685	688-680
Jan	691	695	698-690

Turnover: 4750 (5108) lots of 5 tonnes
ICE 20 indicator prices (\$2000 per tonne). Daily price for Jan 17 756.82 (757.53); 15 day average for Jan 18 750.57 (753.11)

SUGAR - London FCE

	Close	Previous	High/Low
Mar	310.00	312.00	312.00-310.00
May	315.00	317.00	317.00-315.00
Jul	320.00	322.00	322.00-320.00
Sep	325.00	327.00	327.00-325.00
Nov	330.00	332.00	332.00-330.00
Jan	335.00	337.00	337.00-335.00
Mar	340.00	342.00	342.00-340.00

Turnover: 116 (153) lots of 40 tonnes.

SOYABEAN MEAL - FCE

	Close	Previous	High/Low
Feb	145.0	145.0	145.0-145.0
Apr	150.0	150.0	150.0-150.0
Jun	155.0	155.0	155.0-155.0
Aug	160.0	160.0	160.0-160.0
Oct	165.0	165.0	165.0-165.0
Dec	170.0	170.0	170.0-170.0
Feb	175.0	175.0	175.0-175.0
Apr	180.0	180.0	180.0-180.0
Jun	185.0	185.0	185.0-185.0
Aug	190.0	190.0	190.0-190.0
Oct	195.0	195.0	195.0-195.0
Dec	200.0	200.0	200.0-200.0
Feb	205.0	205.0	205.0-205.0
Apr	210.0	210.0	210.0-210.0
Jun	215.0	215.0	215.0-215.0
Aug	220.0	220.0	220.0-220.0
Oct	225.0	225.0	225.0-225.0
Dec	230.0	230.0	230.0-230.0
Feb	235.0	235.0	235.0-235.0
Apr	240.0	240.0	240.0-240.0
Jun	245.0	245.0	245.0-245.0
Aug	250.0	250.0	250.0-250.0
Oct	255.0	255.0	255.0-255.0
Dec	260.0	260.0	260.0-260.0
Feb	265.0	265.0	265.0-265.0
Apr	270.0	270.0	270.0-270.0
Jun	275.0	275.0	275.0-275.0
Aug	280.0	280.0	280.0-280.0
Oct	285.0	285.0	285.0-285.0
Dec	290.0	290.0	290.0-290.0
Feb	295.0	295.0	295.0-295.0
Apr	300.0	300.0	300.0-300.0
Jun	305.0	305.0	305.0-305.0
Aug	310.0	310.0	310.0-310.0
Oct	315.0	315.0	315.0-315.0
Dec	320.0	320.0	320.0-320.0
Feb	325.0	325.0	325.0-325.0
Apr	330.0	330.0	330.0-330.0
Jun	335.0	335.0	335.0-335.0
Aug	340.0	340.0	340.0-340.0
Oct	345.0	345.0	345.0-345.0
Dec	350.0	350.0	350.0-350.0
Feb	355.0	355.0	355.0-355.0
Apr	360.0	360.0	360.0-360.0
Jun	365.0	365.0	365.0-365.0
Aug	370.0	370.0	370.0-370.0
Oct	375.0	375.0	375.0-375.0
Dec	380.0	380.0	380.0-380.0
Feb	385.0	385.0	385.0-385.0
Apr	390.0	390.0	390.0-390.0
Jun	395.0	395.0	395.0-395.0
Aug	400.0	400.0	400.0-400.0
Oct	405.0	405.0	405.0-405.0
Dec	410.0	410.0	410.0-410.0
Feb	415.0	415.0	415.0-415.0
Apr	420.0	420.0	420.0-420.0
Jun	425.0	425.0	

SEAD Bargains(Spot)							
	24,923		26,278		27,013		34,468
Equity Turnover (mjt)	-	231.94	685.43	749.48	1033.56	1267.10	1379.10
Equity Bargainst:	-	25,196	27,723	27,761	35,508	29,568	
Shares Traded (mjt)	-	364.5	352.6	314.8	457.7	440.5	
Ordinary Share Index, Hourly changes							
Open	10 a.m.	11 a.m.	12 p.m.	Day's High	1881.1	Day's Low	1856.1
Open 1881.1	1872.2	1871.1	1875.2	1 p.m.	2 p.m.	3 p.m.	4 p.m.
				1872.8	1887.2	1882.1	1889.2
FT-66, Hourly changes							
Open	10 a.m.	11 a.m.	12 p.m.	Day's High	2350.0	Day's Low	2328.2
Open 2350.0	2347.0	2345.5	2351.8	1 p.m.	2 p.m.	3 p.m.	4 p.m.
				2347.6	2340.0	2334.5	2342.8

GILT EDGED ACTIVITY
Index*

	Jan 17	Jan 18
Gilt Edged Bargains	\$5.7	\$9.0
5-Day average	11.7	88.2

*BE Activity - Includes Intra-market trading, i.e., fluctuations from the FT indices of dirty Equity Bargains and Equity Value of the three averages of dirty Equity Bargains and Equity Value, was discontinued on July 31. Closing values for July 28 available on request.
Source report and latest Share index: 28

for GSKN, rose 5 to 133p. The FTSE 100 closed at 2,242p. One marketmaker said it had been a "fashionable stock recently - all the marketmakers had them and they've probably still got them." Lucas felt the 13 to 639p, amid worries about the price of the Boeing strike on profits.

Simon Engineering outperformed the market, losing 4 to close on 379p. The shares had been hurt by worries of a construction project in Soviet Russia.

Trade in British Steel was brisk, as talk of a possible bid for the German company Hoesch, due to publish its results today, went through the market. British Steel were one point higher when recommended for the day's proceeds to close 3 easier at 132p.

Wednesday's star performer Astra Rubber retreated as Treiljeburg said it had no intention of making a bid at present. The shares dropped 23 to 506p.

English China Clays enjoyed a rally from a low of 438p, raising their price by 3 for the day as investors who were disappointed performing the market. Analysts could find little reason for this, except perhaps that the stock had previously been oversold. Volume was a low 736,000.

For the year, the subject of renewed interest earlier in the week after the board's statement about Sir Ron Brerley's stake in the group, also outperformed the market, holding firm at 216p.

MTI slipped 7 to 239p following disappointing profits. MTI were up 5 at 185p after announcing full-year results.

A hearty review of the electronics/telecoms sector by Kleinwort Benson, emphasising the attractions of British Telecom and Cable & Wireless limited the damaged to their respective share prices. British Telecom's share price rose 10 to 2,232p, while Cable & Wireless expanded to 12m, well up on usual levels, settled 5 cheaper at 233p, while Cable & Wireless settled 10 off at 55p.

GSKN, one of the few stocks in the sector that Kleinwort, in contrast, were 5 lower at 223p on 7.5m.

■ Other Market statistics, including the FTSE 100, the FTSE 250, the FTSE 100 share index, London Traded Options, and recent issues (including the water issue stocks) Page 25

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3 & 14 March, London 1990

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REGIONAL & IRISH STOCKS

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar up as D-Mark falls

ATTENTION turned away yesterday from political events in Eastern Europe and the turmoil in the Soviet Union and towards the question of US interest rates.

The dollar gained ground after officials of the US Federal Reserve Board indicated they are against any further easing of monetary policy. Press interviews with Mr. Manuel Johnson, vice chairman of the Fed, and Mr. Wayne Angell, a Fed Governor, suggested that both are opposed to another reduction in US interest rates unless there is a change in economic conditions.

This pushed the dollar to a high of \$1.0655, but there was no strong attack on resistance at \$1.0600, after Mr. Martin F. Water, a spokesman for the White House, said the Bush Administration would like lower interest rates, although he added: "We aren't trying to tell the Fed what to do."

At the same time, market sentiment appeared to be moving in favour of the dollar, partly because it has been sold steadily against the D-Mark for several months and may be due for a period of technical correction.

A rise of 0.4 per cent in December US consumer prices was in line with expectations and produced little reaction.

Jan. 18	Jan. 17	Previous Close
Spot	1.0600-1.0605	1.0595-1.0600
1 month	8.90-9.00	8.80-8.90
3 months	2.72-2.75	2.70-2.72
6 months	6.12-6.15	6.10-6.12

Forward premiums and discounts apply to the US dollar

STERLING INDEX

Jan. 18	Jan. 17	Previous
3.00 am	87.7	88.4
4.00 am	87.9	88.1
10.00 am	87.9	88.1
1.00 pm	87.7	87.9
2.00 pm	87.8	87.9
3.00 pm	88.0	87.9
4.00 pm	88.0	87.9

CURRENCY RATES

Jan. 18	Jan. 17	Previous
US Dollar	1.0600-1.0605	1.0595-1.0600
UK Pound	0.7800-0.7805	0.7795-0.7800
West Germany	1.9300-1.9305	1.9295-1.9300
France	6.5500-6.5505	6.5495-6.5500
Italy	1.3600-1.3605	1.3595-1.3600
Spain	166.00-166.05	165.95-166.00
Japan	160.00-160.05	159.95-160.00
Switzerland	1.4800-1.4805	1.4795-1.4800
Netherlands	2.2000-2.2005	2.1995-2.2000
Belgium	36.3600-36.3605	36.3595-36.3600
Denmark	6.4600-6.4605	6.4595-6.4600
Sweden	4.6600-4.6605	4.6595-4.6600
Portugal	200.00-200.05	199.95-200.00
Greece	340.00-340.05	339.95-340.00
Yugoslavia	136.00-136.05	135.95-136.00
Czech Republic	166.00-166.05	165.95-166.00
Slovak Republic	136.00-136.05	135.95-136.00
Hungary	166.00-166.05	165.95-166.00
Poland	136.00-136.05	135.95-136.00
East Germany	136.00-136.05	135.95-136.00
South Korea	136.00-136.05	135.95-136.00
South Africa	136.00-136.05	135.95-136.00
India	136.00-136.05	135.95-136.00
China	136.00-136.05	135.95-136.00
Japan	160.00-160.05	159.95-160.00
Switzerland	1.4800-1.4805	1.4795-1.4800
Netherlands	2.2000-2.2005	2.1995-2.2000
Belgium	36.3600-36.3605	36.3595-36.3600
Denmark	6.4600-6.4605	6.4595-6.4600
Sweden	4.6600-4.6605	4.6595-4.6600
Portugal	200.00-200.05	199.95-200.00
Greece	340.00-340.05	339.95-340.00
Yugoslavia	136.00-136.05	135.95-136.00
Czech Republic	166.00-166.05	165.95-166.00
Slovak Republic	136.00-136.05	135.95-136.00
Hungary	166.00-166.05	165.95-166.00
Poland	136.00-136.05	135.95-136.00
East Germany	136.00-136.05	135.95-136.00
South Korea	136.00-136.05	135.95-136.00
South Africa	136.00-136.05	135.95-136.00
India	136.00-136.05	135.95-136.00
China	136.00-136.05	135.95-136.00

Commercial rates taken towards the end of London trading. Dollar rate is convertible franc. Financial time 24.75-25.00 50-cent dollar 5.20-5.30 12-month 5.30-5.40

CURRENCY MOVEMENTS

Jan. 18	Jan. 17	Previous
US Dollar	1.0600-1.0605	1.0595-1.0600
UK Pound	0.7800-0.7805	0.7795-0.7800
West Germany	1.9300-1.9305	1.9295-1.9300
France	6.5500-6.5505	6.5495-6.5500
Italy	1.3600-1.3605	1.3595-1.3600
Spain	166.00-166.05	165.95-166.00
Japan	160.00-160.05	159.95-160.00
Switzerland	1.4800-1.4805	1.4795-1.4800
Netherlands	2.2000-2.2005	2.1995-2.2000
Belgium	36.3600-36.3605	36.3595-36.3600
Denmark	6.4600-6.4605	6.4595-6.4600
Sweden	4.6600-4.6605	4.6595-4.6600
Portugal	200.00-200.05	199.95-200.00
Greece	340.00-340.05	339.95-340.00
Yugoslavia	136.00-136.05	135.95-136.00
Czech Republic	166.00-166.05	165.95-166.00
Slovak Republic	136.00-136.05	135.95-136.00
Hungary	166.00-166.05	165.95-166.00
Poland	136.00-136.05	135.95-136.00
East Germany	136.00-136.05	135.95-136.00
South Korea	136.00-136.05	135.95-136.00
South Africa	136.00-136.05	135.95-136.00
India	136.00-136.05	135.95-136.00
China	136.00-136.05	135.95-136.00

Source: Reuters. Figures are for US dollar and other currencies against the pound sterling.

OTHER CURRENCIES

Jan. 18	Jan. 17	Previous
Argentina	200.00-200.05	199.95-200.00
Australia	1.5000-1.5005	1.4995-1.5000
Brazil	200.00-200.05	199.95-200.00
Canada	1.0000-1.0005	0.9995-1.0000
Denmark	6.4600-6.4605	6.4595-6.4600
France	6.5500-6.5505	6.5495-6.5500
Germany	1.9300-1.9305	1.9295-1.9300
Greece	340.00-340.05	339.95-340.00
Hong Kong	7.8000-7.8005	7.7995-7.8000
India	136.00-136.05	135.95-136.00
Indonesia	136.00-136.05	135.95-136.00
Italy	1.3600-1.3605	1.3595-1.3600
Japan	160.00-160.05	159.95-160.00
Korea	136.00-136.05	135.95-136.00
Malaysia	136.00-136.05	135.95-136.00
Mexico	136.00-136.05	135.95-136.00
Netherlands	2.2000-2.2005	2.1995-2.2000
New Zealand	136.00-136.05	135.95-136.00
Philippines	136.00-136.05	135.95-136.00
Portugal	200.00-200.05	199.95-200.00
Singapore	136.00-136.05	135.95-136.00
Sri Lanka	136.00-136.05	135.95-136.00
Switzerland	1.4800-1.4805	1.4795-1.4800
Taiwan	136.00-136.05	135.95-136.00
Thailand	136.00-136.05	135.95-136.00
UK	0.7800-0.7805	0.7795-0.7800
USA	1.0600-1.0605	1.0595-1.0600
West Germany	1.9300-1.9305	1.9295-1.9300
Yugoslavia	136.00-136.05	135.95-136.00

Source: Reuters. Figures are for US dollar and other currencies against the pound sterling.

MONEY MARKETS

Rates little changed

INTEREST RATES finished little changed in London yesterday, and although nervousness about higher bank base rates continued, the mood was calmer at the close.

Fear of higher rates was illustrated when the market sold some bank bills to the Bank of England at a slightly higher rate than usual during an early round of assistance, and also by the fact that more than half the large day-to-day credit shortage was taken out with this early help.

Fixed period rates rose during the morning, but eased back in the afternoon, on relief that underlying average

UK clearing bank base lending rate is 15 per cent, from October 5

earnings rose at an unchanged 9.25 per cent in November. This was in line with market forecasts, but came as good news after recent disappointing data on UK retail sales and a Public Sector Debt Repayment figure on Wednesday that could mean the Government does not meet its Budget surplus estimate.

Today's figures on consumer prices are the next test for the market, but at yesterday's close three-month interbank was little changed at 15.5-15.6 per cent, against 15.5-15.6 per

cent, compared with 4.4 per cent in the previous year. This was the largest annual rise since 8.9 per cent in 1981.

At the London close the dollar had risen to DM1.7080 from DM1.6900; to FF5.8050 from FF5.7450; and to SF1.5185 from SF1.5070. The index climbed to 67.5 from 67.1. The US currency also advanced to Y146.05 from Y145.45 in spite of intervention by the US Fed and the Bank of Japan.

The Fed sold dollars to support the yen at Y145.90. Earlier in Tokyo the Bank of Japan intervened repeatedly to sell dollars. The weakness of the yen prompted speculation that the Japanese central bank will soon be forced into another increase in its discount rate. The West German Bundesbank left its credit policies unchanged at yesterday's council meeting. The possible

impact on Western Europe from the violence in the Soviet Union did not help the D-Mark, but it was mainly doubts about a further lowering of US interest rates and good French trade figures that depressed the D-Mark.

The French trade deficit narrowed to FF2.57bn in November from FF2.57bn in October. This was even better than most forecasts, and at the London close the D-Mark fell to FF3.3897 from FF3.3995. In Paris the D-Mark was fixed at FF3.3893, the lowest level for nine weeks.

Sterling traded nervously but showed no clear direction ahead of today's figures on UK retail prices, money supply and bank lending. The pound fell to DM2.8100 from DM2.7875; to SF2.4975 from SF2.4875; to FF5.5500 from FF5.4800; and to Y240.00 from Y240.00. Sterling's index rose 0.3 to 88.1.

EURO-CURRENCY INTEREST RATES

Jan. 18	Jan. 17	Previous
3 months	15.5-15.6	15.5-15.6
6 months	15.5-15.6	15.5-15.6
12 months	15.5-15.6	15.5-15.6
18 months	15.5-15.6	15.5-15.6
24 months	15.5-15.6	15.5-15.6
30 months	15.5-15.6	15.5-15.6
36 months	15.5-15.6	15.5-15.6
42 months	15.5-15.6	15.5-15.6
48 months	15.5-15.6	15.5-15.6
54 months	15.5-15.6	15.5-15.6
60 months	15.5-15.6	15.5-15.6
66 months	15.5-15.6	15.5-15.6
72 months	15.5-15.6	15.5-15.6
78 months	15.5-15.6	15.5-15.6
84 months	15.5-15.6	15.5-15.6
90 months	15.5-15.6	15.5-15.6
96 months	15.5-15.6	15.5-15.6
102 months	15.5-15.6	15.5-15.6
108 months	15.5-15.6	15.5-15.6
114 months	15.5-15.6	15.5-15.6
120 months	15.5-15.6	15.5-15.6

Low term Eurodollars: two years 15.5-15.6 per cent; three years 15.5-15.6 per cent; four years 15.5-15.6 per cent; five years 15.5-15.6 per cent. Short term rates are for US Dollars and Japan Yen; others, one day, one month.

POUND SPOT - FORWARD AGAINST THE POUND

Jan. 18	Jan. 17	Previous
Spot	1.0600-1.0605	1.0595-1.0600
1 month	8.90-9.00	8.80-8.90
3 months	2.72-2.75	2.70-2.72
6 months	6.12-6.15	6.10-6.12
12 months	15.5-15.6	15.5-15.6
18 months	15.5-15.6	15.5-15.6
24 months	15.5-15.6	15.5-15.6
30 months	15.5-15.6	15.5-15.6
36 months	15.5-15.6	15.5-15.6
42 months	15.5-15.6	15.5-15.6
48 months	15.5-15.6	15.5-15.6
54 months	15.5-15.6	15.5-15.6
60 months	15.5-15.6	15.5-15.6
66 months	15.5-15.6	15.5-15.6
72 months	15.5-15.6	15.5-15.6
78 months	15.5-15.6	15.5-15.6
84 months	15.5-15.6	15.5-15.6
90 months	15.5-15.6	15.5-15.6
96 months	15.5-15.6	15.5-15.6
102 months	15.5-15.6	15.5-15.6
108 months	15.5-15.6	15.5-15.6
114 months	15.5-15.6	15.5-15.6
120 months	15.5-15.6	15.5-15.6

Commercial rates taken towards the end of London trading. Dollar rate is convertible franc. Financial time 24.75-25.00 50-cent dollar 5.20-5.30 12-month 5.30-5.40

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Jan. 18	Jan. 17	Previous
Spot	1.0600-1.0605	1.0595-1.0600
1 month	8.90-9.00	8.80-8.90
3 months	2.72-2.75	2.70-2.72
6 months	6.12-6.15	6.10-6.12
12 months	15.5-15.6	15.5-15.6
18 months	15.5-15.6	15.5-15.6
24 months	15.5-15.6	15.5-15.6
30 months	15.5-15.6	15.5-15.6
36 months	15.5-15.6	15.5-15.6
42 months	15.5-15.6	15.5-15.6
48 months	15.5-15.6	15.5-15.6
54 months	15.5-15.6	15.5-15.6
60 months	15.5-15.6	15.5-15.6
66 months	15.5-15.6	15.5-15.6
72 months	15.5-15.6	15.5-15.6
78 months	15.5-15.6	15.5-15.6
84 months	15.5-15.6	15.5-15.6
90 months	15.5-15.6	15.5-15.6
96 months	15.5-15.6	15.5-15.6
102 months	15.5-15.6	15.5-15.6
108 months	15.5-15.6	15.5-15.6
114 months	15.5-15.6	15.5-15.6
120 months	15.5-15.6	15.5-15.6

Commercial rates taken towards the end of London trading. Dollar rate is convertible franc. Financial time 24.75-25.00 50-cent dollar 5.20-5.30 12-month 5.30-5.40

EMS EUROPEAN CURRENCY UNIT - CURRENCY UNIT

Jan. 18	Jan. 17	Previous
Spot	1.0600-1.0605	1.0595-1.0600
1 month	8.90-9.00	8.80-8.90
3 months	2.72-2.75	2.70-2.72
6 months	6.12-6.15	6.10-6.12
12 months	15.5-15.6	15.5-15.6
18 months	15.5-15.6	15.5-15.6
24 months	15.5-15.6	15.5-15.6
30 months	15.5-15.6	15.5-15.6
36 months	15.5-15.6	15.5-15.6
42 months	15.5-15.6	15.5-15.6
48 months	15.5-15.6	15.5-15.6
54 months	15.5-15.6	15.5-15.6
60 months	15.5-15.6	15.5-15.6
66 months	15.5-15.6	15.5-15.6
72 months	15.5-15.6	15.5-15.6
78 months	15.5-15.6	15.5-15.6
84 months	15.5-15.6	15.5-15.6
90 months	15.5-15.6	15.5-15.6
96 months	15.5-15.6	15.5-15.6
102 months	15.5-15.6	15.5-15.6
108 months	15.5-15.6	15.5-15.6
114 months	15.5-15.6	15.5-15.6
120 months	15.5-15.6	15.5-15.6

Commercial rates taken towards the end of London trading. Dollar rate is convertible franc. Financial time 24.75-25.00 50-cent dollar 5.20-5.30 12-month 5.30-5.40

EXCHANGE CROSS RATES

S	0.0000	1.0000	1.7000	5.0000	5.8000	1.5000	1.4200	1.2700	30.70
DM Yen	0.356	0.940	1.149	95.32	3.976	0.889	1.136	764.8	0.625
	4.161	0.505		1000	10.40	10.40	8710	8.915	244.7
S Fr. S	1.047	0.723	2.942	25.16	2.646	1.814	2.267	2.017	61.54
	0.400	1.029	1.128	39.28	10.383	1.267	219.7	0.771	67.37
H Fl. Lira	0.316	0.790	0.888	75.92	0.719	1.912	661.3	0.609	18.06
	0.478	0.586	1.343	114.8	4.563	1.079	1.560	0.520	28.39
C F. B	0.519	2.864	1.409	124.8	4.928	1.257	1.643	1087	30.50
	1.701	2.798	4.779	148.6	16.24	4.248	5.500	3560	1.376

Sales	Stock	High	Low	Close	Chng	Sales	Stock	High	Low	Close	Chng	Sales	Stock	High	Low	Close	Chng
TORONTO																	
<i>Closing prices January 17</i>																	
<i>Quotations in cents unless marked \$.</i>																	
25581 Alcan Int	\$20	410	410	—	—	15650 CICI A	\$10	8	10	—	—	15500 Laidlaw A	\$20	8	8	—	—
25582 Alcan Int	\$20	11	11	—	—	15651 CICI B	\$10	7	7	—	—	15501 Laidlaw B	\$20	15	15	—	—
25583 Alcan Int	\$20	11	11	—	—	15652 CICI C	\$10	7	7	—	—	15502 Laidlaw C	\$20	15	15	—	—
25584 Alcan Int	\$20	11	11	—	—	15653 CICI D	\$10	7	7	—	—	15503 Laidlaw D	\$20	15	15	—	—
25585 Alcan Int	\$20	11	11	—	—	15654 CICI E	\$10	7	7	—	—	15504 Laidlaw E	\$20	15	15	—	—
25586 Alcan Int	\$20	11	11	—	—	15655 CICI F	\$10	7	7	—	—	15505 Laidlaw F	\$20	15	15	—	—
25587 Alcan Int	\$20	11	11	—	—	15656 CICI G	\$10	7	7	—	—	15506 Laidlaw G	\$20	15	15	—	—
25588 Alcan Int	\$20	11	11	—	—	15657 CICI H	\$10	7	7	—	—	15507 Laidlaw H	\$20	15	15	—	—
25589 Alcan Int	\$20	11	11	—	—	15658 CICI I	\$10	7	7	—	—	15508 Laidlaw I	\$20	15	15	—	—
25590 Alcan Int	\$20	11	11	—	—	15659 CICI J	\$10	7	7	—	—	15509 Laidlaw J	\$20	15	15	—	—
25591 Alcan Int	\$20	11	11	—	—	15660 CICI K	\$10	7	7	—	—	15510 Laidlaw K	\$20	15	15	—	—
25592 Alcan Int	\$20	11	11	—	—	15661 CICI L	\$10	7	7	—	—	15511 Laidlaw L	\$20	15	15	—	—
25593 Alcan Int	\$20	11	11	—	—	15662 CICI M	\$10	7	7	—	—	15512 Laidlaw M	\$20	15	15	—	—
25594 Alcan Int	\$20	11	11	—	—	15663 CICI N	\$10	7	7	—	—	15513 Laidlaw N	\$20	15	15	—	—
25595 Alcan Int	\$20	11	11	—	—	15664 CICI O	\$10	7	7	—	—	15514 Laidlaw O	\$20	15	15	—	—
25596 Alcan Int	\$20	11	11	—	—	15665 CICI P	\$10	7	7	—	—	15515 Laidlaw P	\$20	15	15	—	—
25597 Alcan Int	\$20	11	11	—	—	15666 CICI Q	\$10	7	7	—	—	15516 Laidlaw Q	\$20	15	15	—	—
25598 Alcan Int	\$20	11	11	—	—	15667 CICI R	\$10	7	7	—	—	15517 Laidlaw R	\$20	15	15	—	—
25599 Alcan Int	\$20	11	11	—	—	15668 CICI S	\$10	7	7	—	—	15518 Laidlaw S	\$20	15	15	—	—
25600 Alcan Int	\$20	11	11	—	—	15669 CICI T	\$10	7	7	—	—	15519 Laidlaw T	\$20	15	15	—	—
25601 Alcan Int	\$20	11	11	—	—	15670 CICI U	\$10	7	7	—	—	15520 Laidlaw U	\$20	15	15	—	—
25602 Alcan Int	\$20	11	11	—	—	15671 CICI V	\$10	7	7	—	—	15521 Laidlaw V	\$20	15	15	—	—
25603 Alcan Int	\$20	11	11	—	—	15672 CICI W	\$10	7	7	—	—	15522 Laidlaw W	\$20	15	15	—	—
25604 Alcan Int	\$20	11	11	—	—	15673 CICI X	\$10	7	7	—	—	15523 Laidlaw X	\$20	15	15	—	—
25605 Alcan Int																	

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2pm price
January 1

[illegible]

And ask Roberto Alves for details.

AMERICA

Bargain-hunting reduces decline

Wall Street

MORE DISAPPOINTING corporate earnings and a perception that the US Federal Reserve does not want to ease monetary policy any further prompted another bout of selling yesterday, but bargain-hunting emerged at the lows, writes Janet Bush in New York.

At 2 pm, the Dow Jones Industrial Average was 14.51 lower at 2,544.62 on moderately active volume of 122m shares. The Dow had lost 33.49 on Wednesday.

In mid-morning yesterday, the Dow had declined by nearly 25 points but it then started to bounce back. However, the bargain-hunting came mainly in blue chips and the broad market lagged the recovery in the Dow. At mid-session, the Standard & Poor's 500 was 2.79 points lower at 334.61, the equivalent of a drop in the Dow of about 20 points.

There had been some response to a number of factors. Selling pressure emerged after Digital Equipment reported a sharp drop in net income in its second quarter compared with a year earlier.

Then, remarks by Michael Johnson, Fed vice chairman, were interpreted as a hint that

he no longer supported a further easing in US monetary policy. He said he did not anticipate a recession.

The belief that interest rates would not fall any further hurt Treasury bonds, which were quoted a full point lower at one stage, as well as the stock market. The yield on the long bond rose to its highest level since last June.

Economic releases yesterday included news that the Consumer Prices Index rose by 0.4 per cent in December, slightly lower than expected, and that housing starts slumped by 8 per cent last month, a very weak figure.

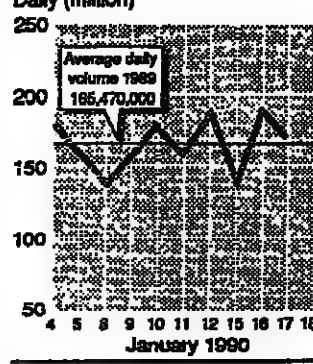
Fourth quarter corporate earnings announcements so far this week, following markedly weak figures in the third quarter, have been disappointing.

In this context, the prospect of no further cuts in interest rates is deeply worrying to the equity market. Its ability to bounce back yesterday simply reflected the fact that there were some bargains to be had after the plunge in the market since the January 2 record high on the Dow of 2,510.15.

In the morning, Goldman Sachs recommended clients to sell the stock component of their portfolios from 85 per cent to 50 per cent. Mr Steven

NYSE volume

Daily (million)



Einhorn said that this decision was based on the fact that the Fed had been slower in its easing of monetary policy than he had expected and that there was a higher risk now that "the earnings anaemia will be longer-lasting than expected."

Digital Equipment slumped 85% to \$82.4 after the company announced that net income in its second fiscal quarter ending in December was \$155.4m, compared with \$279.6m in the same quarter a year earlier.

Tandem Computers, which reported net income for its December quarter of \$1.1m, down from \$1.5m in the same quarter a year earlier, saw its shares drop 1% to \$154.75.

higher at mid-session at \$25%. It was not all doom in the technology sector, however, with several companies reporting better-than-expected results. Among them was Microsoft, which jumped 6% to \$93.4 in over-the-counter trading.

Elsewhere, Consolidated Rail added \$1.4 to \$47.1 in a favourable response to details of a financial restructuring plan. Union Pacific gained 2% to \$76.4 after reporting fourth quarter earnings from continuing operations of \$1.64 a share, up from \$1.37 a year ago.

Caterpillar reported net income of \$107m in the fourth quarter compared with \$163m in the quarter a year ago. Having dropped sharply on Wednesday on the company's warning that earnings would be sharply lower, the share price recovered to stand 2% higher at \$55.75.

Canada

THERE WAS a small decline in Toronto in early trading, as lower corporate profits, rising interest rates and uncertainty over prospects for Eastern Europe kept investors away.

The composite index slipped 3.6 to 3,858.6, with declines leading gains by 154 to 84.

ASIA PACIFIC

Nikkei falls again after losing initial steam

Tokyo

A MEASURE of stability on the currency front gave the market a boost in early trading yesterday. The Nikkei average later triggered selling that took the Nikkei average down for the fourth day running, writes Michio Nakamoto in Tokyo.

Investors were clearly not interested in doing much business, and volume slipped from an already paltry 855m shares on Wednesday to 627m.

After an initial burst of strength, the Nikkei lost steam by the morning close and went more or less downhill for the rest of the day. It moved from a high of 37,003.43 to a low of 36,521.38 before closing down 91.58 at 36,739.45.

Declines, at 61, were more than double advances at 309, and 188 issues were steady. The Nikkei index of all listed shares fell 14.07 to 2,705.41, while the TOX/Nikkei 50 index in later London trading fell 10.54 to 2,010.87.

Investors have been taking the market's weakness in their stride. A strong faith in its resilience has meant investors have been sidelined rather than panic-selling. "People are very calm," said Mr Charles Lambert of Jardine Fleming. "It's as if they don't realise that the market is down almost 2,000 points since the beginning of the year."

Interest was strong in smaller issues and the over-the-counter market was up 1.9 per cent. On the TSE first section, the focus was on higher-priced, smaller capitalisation issues, particularly high-technology electricals, as these offer quick price rises on little volume when the market's energy is low.

Tokyo Electron, a specialised electronics importing company, gained ¥140 to ¥4,020 and was third in volume, with 11m shares traded. Investors were encouraged by prospects of strong business results stemming from the recovery of the US semiconductor market and by speculation that the company would offer a free scrip issue.

High-tech issues were also favoured as laggards and because they tend to have a higher equity to debt ratio and are not negatively affected by

Long arm of arbitrage alarms Japan

Michio Nakamoto on why investors are picking non-index stocks

INVESTORS in Tokyo, discouraged and annoyed by the impact of arbitrage and other index-linked investment mechanisms, have been turning their attention to shares which do not figure in the Nikkei average and are not subject to the vagaries of programme trading.

Most of them have been surprised, even alarmed, by the speed and extent of this year's correction. Share prices have dropped more than 5 per cent since their end of December peak; and some blame has been attached to the arbitrage activity, which was often given the credit for last month's rally.

In arbitrage between futures and the daily share price index, which is one form of programme trading, the arbitrageur tries to take advantage of any discrepancy between the index futures and the underlying Nikkei or Topix index. Futures may be valued much higher than the underlying cash index because people believe that share prices are going to rise.

At that point, the arbitrageur may buy the shares which make up the cash index at the lower, current price and sell the futures. The position can

be unwound by selling those shares when the futures contract expires, and the difference (minus costs and so on) is profit or loss to the arbitrage trader.

At the end of last year, investors were particularly bullish about short-term prospects, and Nikkei index futures

selling the cash index, while the futures have been trading at a discount. This is putting downward pressure on the cash market and, since the market itself is in a correction, it has tended to accelerate the downward spiral.

Prospects for the yen, interest rates and the bond market

The impact of arbitrage on the cash market has led the Japanese authorities to suggest that some form of regulation on programme trading might be necessary

were trading at a substantial premium. Day after day, arbitrageurs sold the futures and bought the cheaper underlying shares, thereby pushing the Nikkei average up.

On many a day, the Nikkei jumped more than 100 points in the last hour or even half-hour of trading, as also frequently happens on Wall Street. In Tokyo, this drew complaints from those traders that had nothing to do with arbitrage that the perpetrators were camouflaging the true state of the market.

So far this month, exactly the opposite has been happening. Arbitrageurs have been

have deteriorated, investors have become bearish about short-term prospects and so index futures have begun to fall. As the gap between the futures and cash indices narrowed, the incentive for buying the cash index turned into an incentive to sell.

Foreign houses, particularly US firms, have been the most active in arbitrage. Its impact on the cash market has led the Japanese authorities to suggest that some form of regulation on programme trading might be necessary.

But the arbitrageurs themselves claim that arbitrage is a product, rather than

a cause, of volatility. "Arbitrage by foreign firms is not the only cause of volatility on the cash market," says Mr Louis Tseng, manager of global equity derivatives at Goldman Sachs, the US investment bank. The underlying cause, he thinks, is the volatility on the futures market itself, brought on by the big institutional investors who are active there.

That creates discrepancies between futures and the cash indices, and opens up arbitrage opportunities. The implication is that, as long as there is volatility on the futures market itself, there will be arbitrage to create volatility on the cash market.

"Arbitrage doesn't raise or lower share prices on its own, but only accelerates the market's trend," says Mr Masami Murakami, general manager of the Equity Futures and Securities Department at Nikko Securities.

Mr Murakami claims that the impact of arbitrage buying or selling on a healthy market is very small.

It is only when the market is overly bullish or overly bearish to begin with, that the impact of arbitrage activity becomes significant.

EUROPE

Global weakness catches up with the Continent

THE BIG bourses found it hard to ignore the bearishness elsewhere in the world yesterday, and even Scandinavia put in a more mixed performance, writes Our Markets Staff.

FRANKFURT resumed its slide as the FAZ index fell 13.89 to 744.13 and the DAX closed the day 23.08, or 1.3 per cent lower - an aggregate drop of 4.1 per cent since last Friday. Value declined again, too, from DM8.4bn to DM7.7bn.

International blue chips took the strain as Deutsche Bank dropped DM9.50 to DM811.30, Daimler shed DM20 to DM819 and Siemens fell DM10 to DM707. Slightly lesser lights fared better: Commerzbank rose DM1 to DM598, and it must have been an unlikely case for Daimler, down DM55 since Friday, to see Porsche jump DM12 to DM962.

Porsche rose on rumours last week, but yesterday's lift came on the news that a Swedish real-estate developer had acquired a sizeable stake in the company. Speculation moved to Hoechst or Klockner-Werke as possible takeover targets, leaving them DM10 and DM16 higher at DM512, and DM283 respectively.

Not all the company news was good. Mannesmann, the steel company which is transforming itself into a top engineering group, dropped DM9.90 to DM348, while its steel pipe plant in Muehlheim was being put on short shifts because of a drop in orders.

PARIS ended weaker in a dull session, but managed to recover from its worst levels after the US consumer price figures proved some easing. The CAC 40 index closed 18.42 lower at 1,934.72 and turnover was estimated at FF2.5bn or below.

Stocks which had seen rises saw profit-taking. Hence Chargeurs, the conglomerate, closed FF19 weaker at FF1,336 and Club Med lost FF17 to FF771. Peugeot shed FF13 to FF748 amid general concern over car sector prospects, while LVMH slipped FF110 to FF5,030 in spite of its forecast of a strong rise in 1989 profits.

Ciments Français dropped FF25 to FF1,540, apparently

more because of problems over its five Turkish cement plants rather than its bid to take over of Financiera y Minera, the Spanish cement group.

Thomson-CSF ended FF1.20 higher at FF145.50 after pulling out of takeover talks for Ferranti of the UK.

AMSTERDAM lost Wednesday's gain, and more, as nervousness about the performance of Wall Street and continued high short-term interest rates at home put a dampener on sentiment. The CBE tendency index fell 1.2 to 113.3 as volume rose to a moderate FF1.92bn from FF1.69bn.

A weak bond market and selling related to the expiry of certain options contracts today reflected the fact that there were some bargains to be had after the plunge in the market since the January 2 record high on the Dow of 2,510.15.

MILAN was nervous, but it came out marginally ahead with the Comit index up 0.49 to 896.37. The rumour that Mr Carlo De Benedetti is negotiating to sell his share in the publisher, Mondadori, persisted despite an official denial on Wednesday.

The key De Benedetti holding company, Cir, held virtually all of Wednesday's after-hours gain to close at L4.980, up L150, although it shed some of this after hours.

ZURICH saw selling in bank shares, which began early in the session and pulled the rest of the market gradually lower. The Credit Suisse index dipped 7.8 to 606.7.

The banking sector, which has been strong recently in anticipation of good earnings growth, fell back with Union Bank down Sfr60 to Sfr3,940 and CS Holding Sfr70 lower at Sfr2,510.

HELSINKI advanced in record volume, boosted by stake-building in the forestry sector.

The Unitas all-share index rose 7.0 points, or 1.1 per cent, to 632.5. Total volume was a

record FM1.44bn, of which free shares accounted for FM240m.

Metsä-Serla said it had bought 25.7 per cent of United Paper Mills (UPM). The purchase was more than FM1.5bn worth of UPM shares had changed hands; a block purchase of 2.9m United Paper shares from Skopbank was the exchange's biggest to date.

UPM ordinary free shares rose FM20 to FM186 and its preferred shares gained FM15 to FM130.

Industrial action by bank employees could close Finnish markets in a couple of weeks' time, some brokers warned. If agreement was not reached in wage negotiations, the banks said that it would open today in spite of a planned one-day strike by bank staff.

COPENHAGEN again saw interest in its insurance and banking shares, although volume was light as investors kept a cautious watch on overseas markets. The bourse index edged up 0.15 to a record Sfr4.24.

STOCKHOLM fell back after its previous day's advance, discouraged by figures showing a rise in domestic consumer prices for November and by declines on foreign markets.

The Affärsvärlden General index lost 15.8 points, or 1.3 per cent, to 1,280.9, on busy turnover of SKr464m.

The forestry sector, which has been falling in recent days on lower prices for products on world markets, recorded the sharpest losses. SCA free B shares fell SKr5 to SKr114 and Stora restricted A lost SKr10 to SKr202.

MADRID returned to the doldrums after Wednesday's brief respite, and the general index slid a further 1.54 to 286.49 in subdued trading.

BRUSSELS was worried by the unrest in the Soviet Union and by the falls on Wall Street and in Tokyo, and share prices eased in quiet trading. The cash market index lost 35.60 to 5,455.85.

One winner was Luxembourg steel maker Arbed, which rose Bfr20 to Bfr5,130 on news of the parent company's better steel output in 1989.

GOLD SHARES continued to decline on profit-taking, in moderate trading in Johannesburg. Institutions and foreigners mostly stayed away.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	WEDNESDAY JANUARY 17 1990						TUESDAY JANUARY 16 1990						DOLLAR INDEX		
	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Day's % local currency	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1989/90 High	1989/90 Low	Year ago (approx)			
Australia (84)	155.11	+0.8	139.37	130.14	+0.3	5.24	153.89	137.77	129.73	160.41	128.28	147.13			
Austria (19)	212.38	+2.0	190.81	186.02	+1.1	1.31	208.15	185.35	183.95	219.85	92.84	92.87			
Belgium (61)	158.19	+0.2	140.29	136.49	+0.1	4.10	155.77	138.48	136.37	180.02	125.36	131.16			
Canada (126)	146.46	-0.4	133.40	126.13	0.4	3.80	149.02	133.42	129.88	154.17	124.67	131.55			
Denmark (36)	249.00	+0.4	223.74	221.15	+0.0	1.43	248.09	222.11	221.09	250.34	163.35	158.52			
Finland (20)	141.72	+1.5	127.34	118.32	+0.8	2.64	139.65	125.02	117.38	159.18	118.63	128.15			
France (125)	157.75	+0.7	138.05	135.45	+0.9	2.72	151.73	135.89	137.20	157.87	112.57	113.76			
West Germany (96)	128.32	+0.3	113.50	110.98	+0.0	1.88	128.00	112.81	111.00	130.32	79.56	84.04			
Hong Kong (40)	113.32	+0.2	101.83	113.63	+0.2	5.02	113.13	101.28	113.42	140.33	86.41	120.73			
Ireland (17)	193.73	+1.2	174.08	174.54	+0.9	2.49	191.49	171.43	173.01	199.89	125.00	128.45			
Italy (96)	92.75	+0.0	89.63	88.81	-0.2	2.44	89.73	89.28	84.03	102.11	74.97	84.40			
Japan (465)	182.61	-0.4	164.08	167.89	-0.4	0.48	183.33	164.13	168.55	200.11	164.22	184.01			
Malaysia (13)	228.60	+1.1	208.30	208.93	+1.0	2.24	227.19	203.40	206.64	238.21	143.35	148.75			
Mexico (36)	325.47	-0.4	292.45	295.02	-0.4	0.54	326.90	292.67	293.23	337.02	183.32	184.04			
Netherlands (43)	137.55	+1.7	123.61	119.61	+0.7	4.51	136.23	121.96	118.79	145.66	110.63	110.80			
New Zealand (18)	74.39	+1.3	66.84	66.84	+0.8	1.45	74.39	66.78	63.98	88.19	62.64	70.13			
Norway (24)	212.97	+0.9	191.36	188.33	+0.7	1.45	210.98	188.89	187.00	219.26	139.92	153.18			
Singapore (26)	184.70	+0.8	165.98	160.70	+0.5	1.81	183.27	164.08	159.84	189.94	124.57	132.75			
South Africa (50)	197.55	-0.7	204.77	198.00	+0.2	3.37	229.41	205.38	167.70	229.41	115.35	120.07			
Spain (43)	157.55	+0.7	141.56	132.10	+0.4	4.07	153.30	132.04	128.12	169.75	143.14	137.55			
Sweden (35)	201.85	+1.7	181.37	183.70	+1.6	1.88	198.50	177.71	160.72	206.95	138.45	143.92			
Switzerland (62)	96.30	+1.2	86.53	89.97	+0.6	1.99	95.12	85.16	89.40	98.12	67.81	76.07			
United Kingdom (306)	159.55	+0.8	143.48	143.46	+1.0	4.40	158.69	142.07	142.07	164.31	133.28	138.31			
USA (542)	196.59	-1.0	122.73	135.59	-1.0	3.43	137.92	123.48	137.92	146.29	112.13	116.58			
Europe (889)	143.10	+0.7	128.58	127.36	+0.6	3.35	142.11	127.23	126.54	148.66	112.63	114.30			
Nordic (121)	175.59	+1.1	175.74	166.61	+0.9	1.69	193.49	173.23	167.16	198.12	137.95	140.80			
Pacific Basin (687)	184.89	-0.0	160.89	164.40	-0.3	0.74	178.65	160.84	164.98	194.72	160.44	163.05			
Euro-Pacific (1659)	184.89	+0.0	148.16	149.69	+0.0	1.66	184.84	147.58	149.69	174.18	141.56	159.11			
North America (862)	137.20	-0.9	123.28	125.88	-0.9	3.42	138.48	123.98	137.16	148.88	112.79	117.38			
Europe Ex. UK (683)	131.65	+0.7	118.20	117.44	+0.4	2.85	130.98	117.00	116.85	134.66	96.30	99.24			
Pacific Ex. Japan (212)	135.52	+0.7	122.16	121.58	+0.4	4.76	133.32	121.15	120.16	140.05	111.93	120.84			
World Ex. US (1947)	165.01	+0.0	148.27	149.31	+0.0	1.73	165.00	147.72	149.33	173.77	141.49	157.77			
World Ex. UK (2085)	158.28	-0.4	137.73	145.14	-0.4	2.04	153.88	137.76	145.78	162.00	136.98	142.28			
World Ex. So. Af. (2331)	153.38	-0.3	137.82	144.78	-0.3	2.25	153.83	137.72	145.24	161.84	136.67	142.05			
World Ex. Japan (1998)	140.52	-0.2	126.26	133.23	-0.3	3.44	140.55	126.10	133.57	145.52	114.51	116.84			
The World Index (2391)	140.52	-0.3	136.22	144.94	-0.3	2.28	145.29	138.13	145.39	162.05	136.68	141.81			

JOBS

Employers should practise what they preach

By Michael Dixon

FORGIVE me for asking, but there is something the Jobs column would much like to know. The question arises from a sermon repeatedly over the past months.

It is that there is no use in applying for jobs by sending a standard curriculum vitae, however glossy. The covering letter, and preferably the cv itself, should be tailored to point out the fit between the applicant's abilities and the particular employer's needs.

Even though that may require hours of research in public libraries and such, it is essential for anyone who seriously wants the post on offer. The reason is that employers in general believe they have a right to expect applicants to show how they can be relied on to be worthwhile employees.

That said, I'll now put the question which concerns the organisations readers have applied to, except as new graduates, considering their first job. Has any of them ever responded by going to anything like the same pains to show it can be relied on to be a worthwhile employer?

If my checks with a dozen acquaintances are a guide, the answer will mostly be "no". There were reports of occasions when the reply had enclosed the organisation's

last annual report, but that is surely only the recruiter's equivalent of the applicant's sending a standard cv.

Moreover, even those occasions were outnumbered by times when, although no report had been sent, the candidate's ignorance of the company's interviewer as a telling fault.

Hence the evidence so far is that the attitude of employers to applicants is typically supercilious, even though it may often be masked by courtesy. And that raises a further question: How much longer can organisations afford to go on being so purlindly arrogant?

The answer must depend on whether falling teenage populations coupled with increasingly international markets turn out to have the effects most pundits predict. After all, there are grounds for doubt that employment conditions will change in any radical way.

In Britain, for instance, there is the memory of the raising of the compulsory school age from 14 to 16 in 1973. Although that suddenly took two years' worth of school-leavers out of the job market entirely, employers seemed to have trouble in meeting their needs of staff.

On the other hand, the economic outlook was far from happy in 1973. By late summer, the main British season for recruiting teenagers, there were already omens of the oil-price crisis and other problems that later led the Chancellor of the Exchequer to describe the country's position as "by far the gravest since the end of the war."

So unless employers in general are pessimistic about the economic prospects, they might do well to budget for difficulty in recruiting over at least the few years ahead.

One experienced recruiter who certainly takes that view is Barry Curnow, chief of the MSL International consultancy and currently the president of Britain's Institute of Personnel Management. He told a recent conference in Brussels that organisations would be wise to develop "corporate cvs", devoting at least as much care and consideration to showing that they are good employers as they expect from applicants in showing themselves to be good employees.

Although such documents could hardly be tailored to individual wants, they might be varied to suit different kinds of workers. But in any case, Mr Curnow added,

painstaking research and presentation would be required to ensure that the information included was meaningful to potential recruits.

That last proviso alone implies fundamental change in the habits of the bulk of employers. For example, many seem convinced that there is adequate jobs-market pull in the bald statement of the organisation's name, especially if it has been advertised on television.

It is a belief which is often wrongheaded. Witness the experience of a building society of household fame which lately commissioned market research into its image as a prospective employer. "The results were flabbergasting," its personnel director confessed. "The problem wasn't that we had a bad image in that way. It was that we didn't have an image at all."

To remedy such basic defects, Barry Curnow said, organisations will have to go beyond giving a verbal description of what they do and where they do it. They will also need to use visual devices, including logos, designed to woo potential workers' approval - a point which suggests the jobs column that it is just as well he was speaking in Brussels

rather than on his native side of the Channel.

The reason is that Britain's top people still suffer from a peculiar disdain for visual communication, and compensating fixation on the written word, which began with the Reformation 450 years ago. My guess is that, in a nation devoting most of its waking hours to box-gogging, employers continue in that attitude at their peril.

But be that as it may, the case for corporate cvs strikes me as undeniable. Whether or not jobs become hard to fill, its strength lies in simple human decency. It is high time employers started doing unto applicants as they expect to be done unto by them.

Change-maker

RECRUITER Tim Entwistle seeks someone with the rare ability to bring about useful change in organisations. The employer is a management consultancy based south-west of London, which he may not name. So, like the other headhunter to be mentioned later, he promises to abide by any applicant's request not to be identified to his client at this stage.

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Credit Analysis

We are currently experiencing increased demand from a wide range of leading institutions who seek experienced credit analysts. Areas of particular interest include property, commercial mortgages, LBO's and asset based finance.

If you have a minimum of 2 years' corporate credit experience with exposure to both balance sheet and cash flow analysis across a broad spread of products and would be interested in hearing about current market opportunities please contact Mark Hartshorne, Charles Ritchie or Ann Semple on 01-831 2000 or write enclosing a full curriculum vitae to Michael Page City, 39-41 Parker Street, London WC2B 5LH.



Michael Page City
International Recruitment Consultants
London Paris Amsterdam Brussels Sydney

International Investment Management

Based - Central London

Our client is a substantial private investment group with a broad variety of interests in Europe, North America and the Pacific. Funds are both allocated to outside managers, and deployed by internal staff.

The size and complexity of investments have grown rapidly in recent years and the management team must now be strengthened by the following key appointments. All will report to the Head of the Investment Department.

Manager, External Portfolios

This role will concentrate on monitoring and evaluating the performance of the group's existing external portfolio managers, developing further the current information systems where required. Responsibilities would also include the identification and selection of new managers, both mainstream and specialist, and the negotiation of terms and contracts. Together with other senior executives, this manager will help formulate general investment policy and particular portfolio guidelines.

A thorough understanding of international equity markets, asset allocation, and portfolio management will be required, as will familiarity with relevant computer systems. Extensive experience in pension fund consulting or in investment management would be a desirable background.

Manager, Direct Investments

This role will be to identify and evaluate opportunities, primarily in the US, UK and Europe, in both quoted and unquoted companies. The emphasis is on a small number of large equity commitments in special situations with attractive risk/reward characteristics. The manager will expand the number of sources of ideas, carry out industry, competitive and company research, and implement and monitor the resulting investments.

Strong analytical skills, international experience, and a record of investment success are required. Senior level experience in a brokerage or investment house, or major commercial organisation would be expected.

Investment Analyst

This role would have two elements. First, to help track and evaluate overall group performance, and the financial returns on internally generated investments, including not only the direct equity investments, but also fixed income, cash, and foreign. Second, to help research and assess a wide variety of investments, ranging from income to risk capital, with the prospect of moving into a full-time investment role in due course.

A strong analytical background, encompassing computer modelling, together with good financial experience, is required.

Salaries of not less than £80,000 for the managers and £30,000 for the analyst are anticipated, plus discretionary bonuses and benefits.

Please apply in writing in total confidence to John Cameron, our client's advisor in this matter, quoting Ref: 1000, at Overton Shirley & Barry, Prince Rupert House, 64 Queen Street, London EC4R 1AD. Tel: 01-248 0355.

Overton Shirley & Barry
INTERNATIONAL SEARCH AND SELECTION CONSULTANTS

UNIVERSITY OF Salford

DEPARTMENT OF ECONOMICS

CHAIR IN APPLIED ECONOMICS

Applications are invited for the above Chair from candidates with strong published research records in applied economics. They will be particularly welcome from those with interests in business, financial, industrial or management economics.

The appointment will be made within the professional range, minimum £24,783; USS benefits. The University is an Equal Opportunity Employer.

Further particulars may be obtained from the Registrar, University of Salford, 345 GWT (Telephone 051 745 3000, Ext 4084) to whom formal applications, including the names and addresses of three referees should be forwarded by 28 February 1990. Please quote reference ECON/1997.

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Vice President Risk Management/International Credit London c.£75,000 Base

With a capital base exceeding \$2BN, this leading financial services company is primarily involved in private banking, asset management and specialised corporate finance. The small international headquarters team is based in London, covering operations in the UK, Europe and the Far East. Further expansion is anticipated through both organic growth and acquisition.

Following an internal promotion a new VP Risk Management is sought, who will report to the Chief Executive of the international business. Key tasks will include all credit decisions and maintaining credit policies and procedures for the international business. You will be a member of the strategic management team responsible for the future direction of the operation.

Including acquisitions. Aged 35-45, you will have had international credit and line marketing experience. Future opportunities will include a move into a line role.

Interested applicants should write enclosing a comprehensive CV with daytime telephone number quoting Ref: 393 to Sara Cooke, MA, Whitehead Rice Ltd., 43 Welbeck Street, London W1M 7PC.

Whitehead Rice

MANAGEMENT SELECTION

STRUCTURED FINANCE

Merchant Banking c. £40,000 + Benefits

Our client, one of the leading UK merchant banking groups, is seeking to recruit an additional executive to join its highly successful structured finance team.

The appointed individual is likely to be aged around 30, with a formal credit training, and will be responsible for structuring deals in the areas of tax-based and off-balance sheet finance. The ideal applicant will be numerate, PC literate and keen to market innovative new products to a wide range of clients. A professional qualification, whilst desirable, is less important than relevant banking experience.

An excellent remuneration package will be tailored to match the successful applicant's experience and ability.

For a confidential discussion please contact Stuart Clifford or Christopher Lawless on 01-831 9988 (01-834 1832 evenings and weekends) or write to The Bloomsbury Group, 11th Floor, New Oxford House, 137 High Holborn, London WC1V 6PL.

THE BLOOMSBURY GROUP



CREDIT LYONNAIS ROUSE

DIRECTOR - FINANCIAL DERIVATIVES

Credit Lyonnais Rouse Limited, a wholly-owned subsidiary of one of France's largest banking institutions, is a member of The Association of Futures Brokers and Dealers and The Securities Association. The Company seeks a director to manage its broking and dealing activities in Financial Futures, Options and other Derivatives. Based in London, the position carries responsibility for the fast expanding UK operation in these products, with further global responsibilities in prospect. The Company has a mature and profitable business base from which to develop.

The suitable executive will have strong technical and staff management ability and be able to market the Company's services to a sophisticated international clientele. You will be of particular interest if you hold a senior position in Europe with a leading futures broker, securities house or bank actively engaged in trading these markets and are now looking to broaden your international experience and develop your management career.

A substantial base salary is being offered, together with profit-related bonus, executive car, attractive pension scheme and other fringe benefits normally associated with one of the world's largest financial institutions.

In the first instance please write in complete confidence, enclosing your CV, to Robert Kimbell at Robert Kimbell Associates Limited, 2 London Wall Buildings, London Wall, London EC2M 5PP

ROBERT KIMBELL ASSOCIATES LIMITED

CORPORATE BANKING MANAGER EDINBURGH

Our client is one of the leading international banks with a base in some 70 countries throughout the world. It is well established in the UK with operations in London and Edinburgh and plans to open another 10 UK branches within the next three years.

The opportunity now exists to head up the Edinburgh operation with responsibility for all Scottish activities. The branch, staffed by a small but professional team, has the facility to provide a full range of corporate financing services both to its established client base and to new business.

The role will combine the programme of new business development in Scotland with the management of the branch on a day to day basis. Organisational and marketing

skills will therefore both be vital, as will the maturity and professionalism required to link effectively with London.

The ideal candidate will be an ambitious executive with several years corporate banking experience who can combine the drive and flair for business development with a mature understanding of banking risks. In this respect, a knowledge and understanding of the Scottish business scene would be advantageous as would some export expertise.

Prospects within such a large group are excellent, both at home and overseas, with salary and benefits being unlikely to be an obstacle for the right person.

For a confidential discussion telephone or write with CV to: Willie Finlayson, ASA International Ltd., 65 George Street, Edinburgh EX2 2JQ. Tel: 031-226 6222. Interviews in London and Edinburgh.

ASA International

ASA INTERNATIONAL

Foreign Exchange Specialist

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The London investment management subsidiary of a prestigious US bank requires a foreign exchange dealer/advisor to join its expanding dealing team.

This exciting position, at the hub of a multibillion dollar currency and fund management operation, offers the opportunity to work alongside both equity and bond dealers executing substantial foreign exchange orders on behalf of the fund managers. Although there is no position-taking it is essential that the individual can identify anomalies, take advantage of them and advise the fund managers on market sentiment. The group prides itself on its highly innovative approach, utilising extremely sophisticated analytical tools to help formulate investment strategy.

Candidates, probably in their late 20's, will have gained at least three years corporate dealing experience with one of the leading banks. Good analytical and communication skills together with the ability to work closely with both colleagues and clients are essential.

Whilst there is ample scope to develop within the department, this opportunity may also be considered to be a route into currency fund management.

Salary, benefits and bonus will be highly competitive and reflect the importance our client attaches to this role.

Interested candidates should contact John Green on 01-248 3653
or write, sending a detailed CV to the address below or use our confidential fax line on 01-248 2814.
All applications will be treated in the strictest confidence.

76, Watling Street, London EC4M 9BJ

BBM

Tel: 01-248 3653

ASSOCIATES
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MICHELANGELO

NEW OPPORTUNITIES.... THE CITY IS NOT DEAD YET

Before Christmas we were all reading about the 10,000 redundancies which are supposedly imminent in the City over the next few weeks and months. Cause for concern, certainly, but there is nevertheless more demand than ever for really good people who can bring in the business and produce profits in today's highly competitive marketplace.

If you have been successful in your job up to now but, for whatever reason, you are not entirely happy with your present environment, you should be talking to us. We won't waste your time - if we can't help you, we'll tell you. We don't match CV's. We don't release your CV or reveal your identity until we have obtained your express permission in each situation. We do not accept advance payment from any client company - they all pay us only on results - so you are assured of the independence and confidentiality of our service.

Michaelangelo has been asked by a number of its select clients to help with their search for exceptional candidates. At this moment we are specifically interested in both sales people and traders who specialise in any of the disciplines mentioned below. In all cases we will be looking for a proven current track record and, unless otherwise stated, not less than two to three years directly relevant experience. None of these positions are for trainees and all require a background in speaking to institutional rather than Private clients. All sales positions require you to have an established client base.

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JAPANESE EQUITY SALES
JAPANESE EQUITY WARRANTS SALES
JAPANESE EQUITY WARRANTS TRADER

EUROBOND SALES (UK, Europe, Mid East, US or Can)
JUNIOR EUROBOND SALES (Min 1 years exp)
EUROBOND TRADER
JAPANESE WARRANTS SALES (Tokyo based)
JAPANESE WARRANTS TRADER (Tokyo based)

SENIOR SPOT TRADER (5M/Day or 1M/Day)
SPOT TRADER (Cable, or Spot in any Market)

One final point - these are all genuine vacancies; we are not "CV-collectors." If you would like to talk about them, please get in touch by phone, fax or mail with any member of our Investment Banking Division. If you need to speak outside normal office hours, you are welcome to call 0753-630771 any evening or weekend.



Please contact Mike Doran in strictest confidence for further information.

MICHELANGELO RECRUITMENT
The Hop Exchange,
24 Southwark Street, London SE1 1TV
Telephone: 01-403 4645. Fax: 01-378 0950

COMPANY SECRETARY

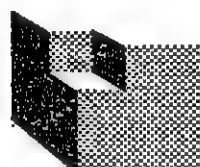
London c£35,000 + Car + Benefits

This senior appointment is with a sector-leading media and communications group which has an impressive record of profitable organic and acquisitive growth. With ambitious plans for the future, the organisation now wishes to strengthen its management team by the appointment of an accomplished Company Secretary aged 33-45.

Reporting to the Board, the successful candidate will be responsible for the provision of a professional secretarial service. This will embrace legal and contractual matters, centralised aspects of personnel and office administration, as well as board meetings and minutes, stock exchange requirements and the filing of statutory documents and returns.

Applications are invited from either Chartered Secretaries or Lawyers who can demonstrate strong technical expertise, a logical and progressive track record and excellent interpersonal skills. The ability to work to tight deadlines and a keenness to be a key member of a forward thinking and dynamic group are essential.

For further information on this outstanding career opportunity please contact Malcolm J. Hudson.



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Fidelity is the top performer of all the major unit trust groups, across all funds, over the ten years since first setting up in the UK. It is also one of the biggest and most successful unit trust groups in Britain.

One of the reasons for this success has been a consistent emphasis on high quality marketing and communications, both to the general public and the financial intermediary market.

We are now seeking to add further strength to the marketing department with the appointment of an Investment Communications Executive - based at Fidelity's UK headquarters in Hildenborough, Kent.

Supporting the existing communications team, the job will involve the formulation and preparation of a wide variety of investment reports of both a macro and micro-economic nature as well as the design, writing and production of key sales and marketing literature.

The abilities to work closely with research analysts and investment managers and, at the same time, communicate technical financial information simply and without jargon are important and you will need to have had at least 18 months' experience in financial writing.

The salary package is negotiable and includes a non-contributory pension scheme, life assurance and substantial profit share opportunities.

If you'd like an exciting career with the Unit Trust Group of the Decade, please apply to our Consultant, Robin Douglas, FIA, 16 Old Bond Street, London W1X 3DB or telephone 01-629 4698.

*Source: Based on Planned Savings Data Services Group Weighted Performance rankings across the 40 largest unit trust groups to 1.9.90.



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Member of the UTA

c£30,000 p.a.

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London Based

Professional Services

A graduate or equivalent professional marketer, aged around 30, with sound progressive marketing experience, including significant achievement in professional/financial services. Key tasks will include the implementation of marketing plans, new client development, media relations and positive PR for the firm. Reporting to a member of the Executive Board, this new appointment is an outstanding opportunity to develop and run the marketing function of one of the UK's leading and fastest growing firms of Consulting Actuaries. Benefits include discretionary bonus, non-contributory pension, car, medical and life cover.

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This UK merchant banking Group, with operations in all the major financial centres, employs around 3,000 people in the UK and provides a comprehensive range of services including investment banking, asset management, money broking and securities trading.

CORPORATE FINANCE EXECUTIVE

EC2 TO £30,000 + CAR + MORT

A Chartered Accountant, aged to 28 and who has trained with a "Big 8" firm, is sought for this high-profile role. Joining an established team of highly talented professionals from various disciplines, the role involves participation in the structuring and negotiation of deals relating to mergers, acquisitions, divestments, flotations, bids and buy-outs. The client base reflects great diversity and ranges from aggressive owner-managed businesses to multinational blue chips.

For further details, please call or write to Carol Saunders, Consultant - Banking and Finance Division, who is advising the client. Please quote ref. 6155.



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EXECUTIVE CONNECTIONS
12-14 Masons Avenue, London EC2V 5BT
Tel: 01-600 1122 Fax: 01-600 1685

DIRECTOR GENERAL

The International Spinal Research Trust was set up in 1981 to fund medical research aimed at curing paralysis. It has grown rapidly to become one of the top 400 UK charities.

The charity is now seeking a Director General to manage a small but experienced team to develop its potential. As well as supervising the financial and administrative affairs of the Trust, the successful applicant will be expected to take a leading role in quickly raising both its level of income and public awareness of its work.

The Trust is seeking a successful business man/woman with broad-based experience.

Salary negotiable.

For details please ring 01 367 3555

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Anderson, Squires has built its reputation on success. One principle has guided us to a leading European consultancy position within just eight years of conception: a positive commitment to our clients.

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A major City-based Bank requires a Financial Futures Broker. You will have an in-depth knowledge of the Financial Futures market, supported by a minimum of 3 years' relevant experience. This is an opportunity to join a small, established team, who are actively involved in developing and expanding their existing client base within Europe. Contact: Wendy Fenn.

EUROPEAN EQUITY ANALYST

to £40,000

A leading Far Eastern securities house seeks an experienced equity analyst to research German and Swiss companies. The successful candidate will have a minimum two years' experience, be fluent in German, numerate and aged between 25 and 40. Contact: David Puddick.

A bottle of 1979 Grand Larose will be delivered to the sender of the first correct solution, which will be published with the next Anderson, Squires crossword in February.

SENIOR ECONOMIST

to £40,000

A leading US investment bank seek a Senior Economist to cover the US Sector. Working within the Economic Research Department, your key role will be to support the Money Markets and Fixed Income trading teams, assessing trends in the US and comparing these with other major economies. You will have an in-depth knowledge of US economics, together with strong communication skills and experience of presentations to colleagues and clients. An economics degree is essential for this position; preference will be given to candidates with post-graduate qualifications. Contact: Leslie Squires.

HEAD OF SWAPS DOCUMENTATION UNIT

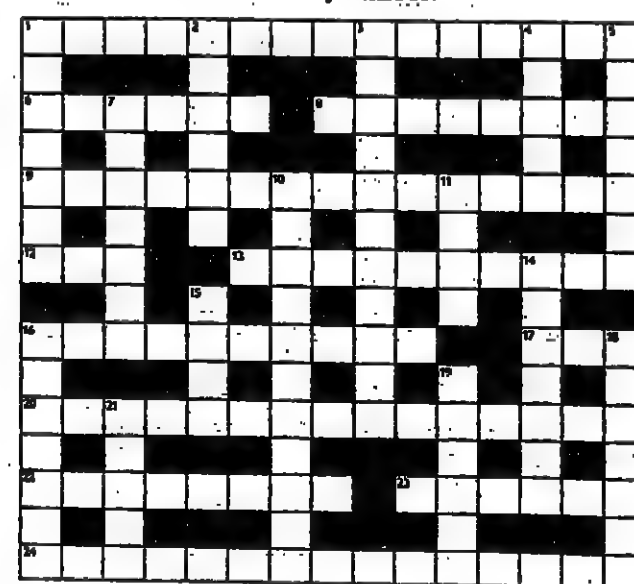
£ Highly Negotiable

A top US investment bank is expanding its operation to include a specialist legal department, supporting the Swaps and Derivative Products division. The unit will be responsible for negotiation and documentation of transactions and will be involved in extensive liaison with traders and sales people. To direct this new team, the bank is seeking a lawyer with relevant experience at a senior level. Contact: Sarah-Jane Wittridge.

For more information on these and other positions, please contact Anderson, Squires Limited, Financial Recruitment Specialists, 127 Cheapside, London EC2V 6BU. Tel: 01-606 1706. Fax: 01-726 4031.

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ACROSS

- Top recruitment consultancy never squanders senior position? (8,7)
- Nick is punch drunk before the first battle? (6)
- The state of casual excitement? (5)
- German basic investment from grave, lone German (15)
- Longing for money (3)
- See 17
- When ready, dismantle and cash in (5,5)
- and 13. One deal posing as a legitimate allowance (3,3,7)
- Sue former policeman in time to prepare a statement avoiding liability (9,6)
- Information store installed at a basement office (8)
- Dips into various realms (6)
- The laws of supply and demand are akin to commerce all over the place (6,9)
- Wreck Gateshead? You could soon be regretting it (5)
- The currency of Ireland's biggest banks (7)
- Man and Virgin are, by nature, isolated? (7)
- A point of dispute holds up legal claims to equity offer (6,5)
- Make a vast sum of money (4)
- Misconceived ideas of floating lido on USMP? (7)
- With full support, it's an end in itself. Period (4)
- Nudge nudge in the morning. You've got to do it (7)
- Flattens southern deserts development (7)
- San oil refining for the white map (6)
- Go in for record (5)

DOWN

- Pay cut a dashing figure in insurance (7)
- Ruin can come from infatuation about silver (6)
- I open with a short position and the company benefit (5,6)

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Bank of Tokyo International Limited is the UK subsidiary of the Bank of Tokyo Limited, the leading Japanese international bank. It operates highly successfully on behalf of the Bank of Tokyo Group in London in all major aspects of international banking business. The Special Finance Division is one of the most profitable and high profile teams within the bank.

Our success and consequent expansion mean that we now need to enhance this specialist team.

You should be a good communicator, numerate and literate, and have had demanding main stream corporate banking experience including at least 2-3 years specialising in one or more of the above three areas, working on existing and new business for a range of transactions.

With us you will be responsible for structuring and underwriting and/or participating in major financings in either projects, property or aircraft transactions. Although there will be a high degree of personal autonomy in pursuing and closing deals to tight deadlines, you will also be working in a team environment which has a reputation for the high quality of its work.

Salary is negotiable based on qualifications and experience plus performance related bonus, car and the usual bank benefits and the package for these appointments, at various levels, will be specially tailored for each individual.

Please apply in writing with full CV to: The Personnel Manager, Bank of Tokyo International Limited, 20-24 Moorgate, London EC2R 6DH or telephone E. R. Yescombe, Director Special Finance Division on 01-628 3000.

 Bank of Tokyo International Limited

Challenging Banking roles with Citicorp in Switzerland

Citicorp Investment Bank (Switzerland) with offices in Geneva, Lausanne, Lugano and Zurich specialises in wealth management for private clients around the globe. We now have the following opportunities for high calibre individuals to apply and develop their existing skills with one of the world's foremost banking institutions.

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Our highly trained Relationship Managers manage all aspects of our clients' financial affairs and serve as a personal link with Citicorp experts worldwide.

An experienced banking professional you will be responsible for promoting a wide portfolio of products towards a target sector of established and newly emerging German entrepreneurs. As well as providing professional banking, credit, investment counselling, real estate and fiduciary services, you'll be expected to devise and implement longer term business development plans appropriate to the individual requirements of your clients.

Ideally, you'll have a working knowledge of tailored finance for individual wealth creation, the provision of initial equity market sponsorship or the negotiation of company mergers and acquisitions.

We expect you to have proven management skills as you will be managing a small team of professionals and will be expected to give strategic direction to our marketing efforts.

INVESTMENT MANAGERS — Zurich & Geneva

We are seeking senior investment professionals with experience in international portfolio management or in investment counselling for private clients.

Candidates should be experienced in dealing in international capital markets, equities and derivative products. Proven ability and track record is essential.

We would be interested to talk to you if you are already working in Switzerland or perhaps you feel that your foreign assignment is coming to an end and you want to return home. Please send your CV with full details of current salary or call Citicorp Investment Bank (Switzerland), P.O. Box 244, Atlas: Mr. Walter Hiltbrunner, Personnel (tel. 411/205 78 18), 8021 Zurich, Switzerland.

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City

c50K + Benefits

Our client, one of the leading Japanese Securities Houses, seeks to appoint a dynamic and innovative Associate Director to strengthen its European Mergers and Acquisitions team.

Reporting to the Head of Mergers and Acquisitions, your primary role will encompass qualitative research, company valuations and liaison with the marketing team to assist with corporate analysis and scenario making.

A qualified accountant, you will have extensive experience of mergers and acquisitions, preferably gained within a

leading financial institution consultancy firm or large accounting practice.

Your analytical, numeric and evaluation ability, will be matched by the interpersonal skills needed to succeed in this dynamic and challenging environment.

The benefits package will be commensurate with the level and importance attached to this position.

Interested applicants should telephone Jonathan Cohen on 01-437 0464, or write to him, enclosing a detailed CV, at the address below.

ROBERT • WALTERS • ASSOCIATES

RECRUITMENT CONSULTANTS
Queens House 1 Leicester Place London WC2H 7BP
Telephone: 01-437 0464

A leading on-line currency analysis service invites applications for a:

CURRENCY ANALYST

CENTRAL LONDON

£18,000-£25,000

Applications are invited from candidates aged 25+ who are familiar and at ease with the daily functioning of the currency markets. They should possess excellent communication skills and have the ability to write quickly and clearly about the fundamental and political developments which affect spot, forward futures and money markets. The post offers the opportunity to apply creative and analytical skills to the development of the product and work in a dynamic team environment. Salary negotiable according to age, ability and level of experience.

Candidates should reply in writing (or telephone) with full C.V. in strictest confidence to:

GFI

Mr. K. Schlegel/Mr. Tony Morris,
Thomson Financial Networks Ltd.,
30th Floor, Centre Point, 100 New Oxford Street,
London WC1A 1DD.
Tel: 01-495 8223.

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London SE1 9HL.

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To consolidate and complement the progress a chief fx dealer is sought. The appointee will need a broadbased fx trading background covering both jobbing and strategic trading and also forward trading.

Dealing experience should be complemented by sound experience and the ability to integrate with other trading and non-trading areas.

Remuneration to include a base salary up to c. US\$140,000 plus benefits.

SENIOR SPOT DEALER To £70,000

Trader with proven track record and professional, responsible attitude, to deal Spot Yen in a very active environment for this major international bank.

SPOT DEALER c.£50,000

Major European Bank wishes to recruit experienced Spot DM trader for a large and active dealing room.

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Both US\$ and £ Dealers required, for busy professional international banks.

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Prestigious International Bank requires a senior trader to head an active forwards desk increasing market presence in major European currencies.

We have many more positions available for both Senior and Junior FX, Money Market and Corporate Dealers, please call:

Dudley Edmunds, Peter Connelly, Nigel Hulbert on

01-839 5017

We will be happy to discuss your requirements in a professional and confidential manner.

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Our business is the management of change in large and complex organisations. Formed less than four years ago, we are the recognised UK leaders in this field. We work with some of the most successful British and international companies, and with key parts of the public sector. Our clients look to us for support in changing cultures and in getting new strategies out of the boardroom and through to the point of delivery.

Our strong growth has led to these further opportunities.

Our work is difficult, because it calls for combined process and content consulting in open-ended situations. You must have the intelligence and presence, but also the management breadth and technical depth, to add value for demanding clients.

You are probably 34-42, with three years' relevant consulting experience built on an earlier career in line management (or perhaps personnel or finance) and a good first degree. You are bored when confined to functional boxes and excited by the prospect of top level general management consulting. You want to be doing now the kind of work the profession as a whole will be moving towards in the '90s.

Please write, in confidence, to:

David Watkins, Director
Kinsley Lord Ltd
34 Old Queen Street
London SW1H 9HP

KINSLEY LORD
MANAGEMENT CONSULTANTS

MANAGER MONEY TRANSMISSIONS

Package c £30,000

West Yorkshire

The financial services market is one of the most competitive, innovative and challenging areas in which to operate. A leading Building Society, National & Provincial has developed and is implementing innovative and far-reaching strategies to optimise opportunities that the financial services environment presents.

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FINANCIAL RECRUITMENT

ACCOUNTANCY COLUMN**EC struggles to design comparable standards**

By David Waller

FINANCE directors of European companies may find out later today whether they will have to deal with another, third tier of European Commission-inspired standards on top of the ones already promulgated by the national standard-setting bodies and the International Accounting Standards Committee.

For today marks the end of the Commission's long-awaited two-day conference in Brussels on the Future of Harmonisation of Accounting Standards within the European Communities.

Before speculating on the likely outcome of the conference, a brief recap is perhaps required - if only for those who have got lost in the arcane niceties of the UK debate about goodwill and brand accounting during the past few weeks.

Decades ago, the Commission saw the need to make accounts emanating from member states more directly comparable. It set, very slowly, to produce first the Fourth Company Law Directive, which appeared in 1978, dealing with the basic accounting rules for limited companies, and subsequently, the Seventh, in 1983, on consolidated accounts.

Slowly but surely, countries have adopted the directives into national law, but it is significant that Italy, a signatory of the Treaty of Rome, has yet to embrace even the Fourth.

The intransigence of nation states is not the only obstacle preventing comparability between the accounts of companies in similar sectors but different countries.

For a start, there is a philosophical divide between the Germanic way of

accounting and the Anglo-Saxon. According to critics, the Teutonic method, whereby accounting principles are set down by law in accordance with tax requirements, is inflexible and dirigiste and bears no resemblance to so-called economic reality. By contrast, the Anglo-Saxon approach, to be found not just in the UK but also in former British colonies, is flexible and allows members of the accountancy profession to set standards without the need for legislation.

The counter-argument is that the Anglo-Saxon approach is too lax and open to much abuse at the hands of finance directors keen to massage up earnings per share. Just look at the brand-accounting saga, or companies' willingness to indulge in the jiggery-pokeries of acquisition accounting, carp the critics of the UK way of doing things.

A second obstacle lies in the nature of the directive itself. As the Commission has latterly recognised, a directive is too cumbersome an instrument to deal with the niceties of accounting. Research from the Fédération des Experts Comptables Européens shows that the Fourth Directive achieved a great deal of harmonisation, but only at the most basic level - for example, the way in which accounts are presented.

The research shows that directives do not tackle the more important issues very well. There is no real comparability on issues such as goodwill, leasing, stock valuation, currency fluctuations, long-term contracts, provisions for pensions and pension commitments.

Hence, with 1992 looming and the need for capital to flow from one member state to another, unimpeded by deficiencies of information or mutual incomprehension, the Commission has decided to act.

Last autumn, it asked Professor Anthony Hopwood of the London School of Economics to write a report on The Future of Accounting Harmonisation in the Community. He will read his document to the conference this morning.

It will not be easy listening, the early parts of the document are theoretical in nature.

Research shows directives do not tackle the more important issues very well

What everyone will be waiting for is the section on alternative institutional approaches. In it, Prof Hopwood discusses three possibilities. They are: a European accounting forum. This is described as "a means for furthering dialogue, debate and co-operative change between national accounting standard setters and the Commission's".

In effect, it would be a talking-shop, with no real authority behind it, but at least it would leave changes in standards to individual nation states. "A central aim of such a forum would be to address the technical and institu-

tional impediments to more comparable financial reporting so that further accounting comparability can be achieved at the national level."

It would have to be internationally minded, writes Prof Hopwood. In other words, it would have to pay some attention to the good works of the International Accounting Standards Committee, which has done more than any other body to effect harmonisation around the world but suffers from being a horror of horrors - a private-sector body.

Such a forum would be financed by "the standard setters, including the Commission, on some agreed basis." Prof Hopwood identifies a number of difficulties with this approach. His main doubt is whether such an organisation "would have the will and means to act in a coherent and consistently authoritative manner." Such authority would be especially needed when dealing with a variety of government and private bodies and a "growing commercialism in many audit firms and a significant concentration of their industry."

The next suggestion is a European technical standard-setting organisation - a European version of the Financial Accounting Standards Board in the US. A model for such a body in Europe exists in the electronics industry.

That would horrify many finance directors - it would mean the introduction of a third tier of standards - and Prof Hopwood is sceptical as to whether it could work in practice. The Commission would be expected to pay for the whole of it, and to devolve its standards-setting

powers to it, a process requiring a new directive.

A new, independent body, he observes, would not have the authority of a government, nor would it have the moral support that is traditionally accorded to existing national accounting regulators.

Prof Hopwood's favoured solution is to develop the Commission's existing institutions. Thus the Contact Committee, formed when the Fourth Directive was introduced, should be beefed up. At present, it is staffed by officials and is not equipped to cope with the technical challenges of bringing in more harmonisation.

Thus, Prof Hopwood urges, the Commission ought to set up a technical subcommittee "consisting wholly or largely of senior representatives of national accounting standard-setting agencies within the committee."

Instead of pushing out European Standards, the Contact Committee would be able to issue authoritative interpretations of existing directives.

Prof Hopwood expresses his hope that the strengthened Contact Committee will be attuned to the wishes of the member states at the same time as its edicts are backed up by the authority and legitimacy of the Commission.

That, he argues, is less likely to result in either "regulatory excess or a well-intentioned inertia."

The UK, for one, would be upset if Prof Hopwood's recommendation was accepted: it is a firm believer in the idea of a forum. Would it be too cynical to suggest that a long period of inertia, whether well-intentioned or not, would suit the UK well?

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Already established as a highly-regarded legal partnership, this medium-sized firm is implementing a new strategy. The strategy attaches increased importance to commercial performance, and the firm has recognised the need to recruit a skilful finance professional.

The successful applicant will report to the Senior Partner and will join the senior management team which directs the firm. He or she will take overall responsibility for strategic financial planning, budgets, financial and management accounting and

information systems. Additional responsibilities will include the management of professional support services and personnel. Staff to be controlled number about 60.

The ideal individual will have the following attributes: an excellent academic record with finance and administration experience in a medium sized professional partnership or service company. Candidates should be chartered accountants with at least 10 years' post qualification experience.

We intend to discuss CVs with our client, so please list in a covering letter any firms to whom your papers should not be disclosed.

Please write with a full CV, quoting reference F/0045, to Miles Holford. Alternatively, feel free to call him to discuss the job in more detail on 01-334 5193.

Executive Selection Division
Price Waterhouse
Management Consultants
No. 1 London Bridge
London
SE1 9QL

Price Waterhouse

Important new appointment
with expanding legal practice

Director of Finance and Administration (Partner Status)

£40-50,000
+ Car + Excellent Benefits

Central London

financial SELECTION SERVICES
Executive Selection Division

Our client is a highly successful 26 partner firm of solicitors, providing a wide range of commercial legal services mainly to corporate clients. Their reputation in many specialist fields is on a par with some of the largest U.K. practices. The firm has grown rapidly in recent years to a complement of 170, and has well-structured plans for further development.

This new appointment will be responsible to the Managing Partner for most of the firm's non-professional activities including the Accounts and Office Management functions, and will also be involved in the direction and development of the Personnel and I.T. Departments. Priorities will include developing improved management and financial information, and strengthening awareness of accounting disciplines; however there is substantial scope for a review of all the firm's non-professional operations. Finally, as a member of the Executive Board, you will play a key role in developing both the strategy and the performance criteria needed to manage the firm's future growth.

We are seeking an individual of commitment and integrity with the highest level of professional and people-management skills. You will be a qualified Accountant, most likely Chartered, aged 35-45, who can demonstrate proven abilities in the key areas of this wide ranging role, for which the excellent benefits package includes a non-contributory pension scheme and BUPA.

For a full and confidential discussion, call Neil Wax, Consultant to the Company, on 01-387 5400 (out-of-hours on 0923 819298), or write to him stating current salary and quoting ref: 10145. Financial Selection Services, Drayton House, Gordon Street, London WC1H 0AN.

Corporate Finance Manager

North East Hants

c. £35,000 + car

With annual turnover in excess of £200 million, our client is well established within the high technology sector, both in the UK and overseas.

In an environment of continuing change, it is now appropriate to strengthen the group finance function with the appointment of an additional high calibre individual, who will contribute to the on-going appraisal of group structure and investment opportunities, including mergers, acquisitions, disposals and joint-investment activities. This is a high profile position which offers frequent contact with main board directors.

To be considered for this challenging role you must be a chartered accountant (aged around 30), and possibly a management consultant, who offers a record of success in contributing effectively to the corporate development within client organisations. It is envisaged that the successful candidate will move into a senior line management role within an operating subsidiary in the medium term.

Please send career and personal details quoting reference F/350/A to Carrie Andrews at Ernst & Young Search and Selection, 21 Conduit Street, London W1R 9TB.

Ernst & Young**Group Financial Controller**

London

Wace

c. £40,000 plus car
and benefits

Wace Group is the world's leading pre-press Group, and also has a rapidly expanding printing division. Already the largest in its sector in the U.K. and U.S., it has now expanded in Europe. Turnover is currently about £170m and growth over the last five years has been outstanding, as a result of a series of strategic acquisitions and strong organic growth. The Sunday Times recently tipped the Group as one of the top ten companies to follow in the nineties.

The recent growth has created the need to recruit a Group Financial Controller. Reporting to the Group Finance Director, responsibilities include Group Reporting, Treasury Management, Taxation, Operational Reviews and Financial Planning and Control.

You should be an ambitious qualified accountant in your thirties with multinational experience and demonstrable career success to date. You must be able to work effectively in a fast moving, highly acquisitive environment, have a "hands on" proactive approach, and be keen to build your career with a demanding and successful Group.

If you think you are the self-starter we are seeking, please write to Geoffrey Rutland, FCA, AII, at the address below, quoting reference 1615, and giving concise career and salary details and a daytime telephone number, or phone him on 01-583 3303 (office) or 01-878 8395 (home).

BDO BINDER HAMLYN
BDO Binder Hamlyn Management Consultants
8 St. Bride Street, London EC4A 4DA

FINANCIAL DIRECTOR DESIGNATE

Essex - London Borders

Up to £35,000 + car

Part of an international group our client manufactures and markets leading brand automotive products. With turnover approaching £40 million, they are committed to further development and growth in the UK and Europe.

As part of a planned succession the present Financial Director will move to a group role later this year and we are looking for an exceptional accounting manager with the ambition to assume full financial responsibility. Your immediate task will be to take over the accounting and administration functions of the UK and European operations. Managing an experienced team of fourteen providing strong financial control and producing timely and accurate management information.

the challenge is to lead the team through a period of strategic change.

This appointment will appeal particularly to qualified candidates age 30 plus with significant experience covering audit and commercial accounting gained either with a large firm or multi-national manufacturing operation.

The remuneration package is flexible enough to attract outstanding candidates and will be further enhanced on appointment to Financial Director.

For an informal discussion or to request an information pack, in confidence, contact John Brooks on 01-989 8342. If you prefer, send a copy of your CV quoting reference number FT.183 to PSN Associates, 11 High Street, Warrstead, London E11 2AA.

PSN Search & Selection

هذه امنه لوصول

Accountants for Investment Management Consultancy

As an accountant working in Investment Management, you may already be aware of our outstanding reputation in the provision of consulting advice to the European Financial Services Sector.

The multi-disciplinary team of consultants who specialise in investment management within our UK practice boast experience covering an extensive range of products and business areas. As accountants, IT specialists and strategists they have skills founded in fund management, marketing, dealing and settlements functions and the back office.

In line with our ambitious expansion plans we are currently looking for additional high calibre professionals to further strengthen our team.

Ideally in your late 20s or early 30s you must have a professional accounting qualification

and a minimum of 18 months experience in Investment Management.

You will find our standards exceptionally high — in line with our client's expectations. Personal qualities, therefore, of integrity, flexibility and self-motivation are essential. The rewards are high both financially and in terms of personal satisfaction in what is a rigorously demanding but highly stimulating environment. Opportunities for progression are excellent and entirely dependent upon your personal ability. Salary should provide no barrier for the right individuals. If you would like to find out more about this exciting opportunity please write (quoting reference: MCS/8602) to:

Anita Harris
Price Waterhouse
No. 1 London Bridge
London SE1 9QL

Price Waterhouse



OFFICES IN: LONDON, ABERDEEN, BIRMINGHAM, BRISTOL, CARDIFF, EDINBURGH, GLASGOW, LEEDS, LEICESTER, LIVERPOOL, MANCHESTER, MIDLESBROUGH, NEWCASTLE, NOTTINGHAM, READING, ST. ALBANS, SOUTHAMPTON, WINDSOR. ASSOCIATED FIRMS IN IRELAND, THE CHANNEL ISLANDS AND THE ISLE OF MAN.

CONDER GROUP PLC FINANCE DIRECTOR

Conder Products

Winchester

Conder Products is a leading specialist in forecourt cover, and underground tankage of various types, for a wide variety of commercial and industrial applications. Its canopies are supplied to all the U.K. petrol majors and to many other parts of the world. The company is a highly profitable part of a successful and growing group, which is a major force in the construction and property sectors.

This is a key role in the small management team of a very commercial, sales-driven business. You would manage a small team supported by strong central resources and be responsible for finance, accounting, MIS and business development. There is considerable contact with other parts of

Attractive package inc. car

the group and the company is currently expanding in Europe, including forming a joint venture in Spain.

Candidates must be qualified with a track record of successful financial management in commercial business. Experience of new product launches and joint ventures will be useful. Longer term prospects within the group are excellent. A competitive salary will be offered, supported by private medical insurance, a profit related incentive and other big company benefits.

To apply, please write to Mike Smith, ref: 7205, enclosing a c.v. and quoting current salary.

KPMG Peat Marwick McLintock

Executive Selection and Search
Abbots House, Abbey Street, Reading, Berkshire RG1 3BD

RE-ADVERTISEMENT

DIRECTORATE OF HOUSING SERVICES FINANCIAL MANAGEMENT IN A HOUSING SERVICE

From £23,000+
Lease Car and Mortgage Assistance



This senior appointment could be your opportunity to develop the finance and administrative objectives to form an effective operational plan to take our Housing Service forward in the 1990's.

Responsible for all the usual finance and administration activities (including Housing Benefits) associated with the management of a large Directorate, you will head a vital and expanding function handling an annual budget of £60 million (capital and revenue expenditure).

We are looking for someone who has proven experience of financial management at a senior level, together with a full professional accounting qualification. You will need good organisational skills and an understanding of cost and performance analysis. Given the increasing level of competition being introduced into the provision of local authority services, you will also need a degree of commercial awareness. Finally, you should be capable of making a major contribution as a member of a dedicated management team.

ASSISTANT DIRECTOR FINANCE AND ADMINISTRATION

A generous relocation package is available, including Mortgage Equity or Assistance Scheme, together with temporary accommodation in certain circumstances. The post attracts a car allowance and a free or largely subsidised car, under the Council's car leasing scheme.

Application forms, job description and other details are available from the Director of Personnel & Management Services, Civic Centre, Southampton, SO9 4ZF. Telephone Southampton (0703) 532632 (Answerphone out of office hours).

Closing date for return of applications forms: 5th February, 1990. It is anticipated that interviews will be held on 8th and 9th March 1990.

Your application will be judged solely on its merits irrespective of race, marital status, sex, sexual orientation, age, religion or disability.

An equal opportunity employer

Newly Qualified Accountant

London, SW1

c. £27,000

With diverse and truly global interests, this highly acquisitive £multi-billion British industrial group experienced increased profits of over 40% in 1988.

Based at the Head Office, and with responsibility to the Board, you will work as part of a small team responsible for the critical business analysis of all subsidiary companies. This is a project based role that offers a considerable degree of variety and autonomy. You will work closely with operational management across issues as diverse as:

- ▲ Acquisition appraisals
- ▲ Investment Analysis
- ▲ New product development
- ▲ Business analysis

A formal induction programme will ensure that you make an early impact and are swiftly able to apply your technical skills in this broad based commercial setting.

Career prospects are excellent as the position is viewed as an early route to general management.

For further information contact Kathryn Birkett on 01-404 3155 at Alderwick Peachell and Partners, Accountancy and Financial Recruitment, 125 High Holborn, London WC1V 6QA. Fax: 01-404 0149.

Alderwick
Peachell
PARTNERS LTD.

Financial Director Designate

East Midlands

Retail display systems
to £40,000 + car

Having expanded rapidly over the last few years, this group, which designs and manufactures retail merchandising equipment, now needs a high calibre finance director. The organisation has a high profile, blue-chip client list. It has a current turnover of around £10 million, is profitable and anticipates growth through diversification of its product range and acquisition.

The Group Finance Director Designate will look after all aspects of the company's financial management including strategy, treasury and cash management, financial control, costing and company secretarial matters. Working as part of a close knit management team the incumbent will be making an important contribution to the group's future success.

Candidates should therefore be qualified accountants with a strong track record of financial management gained in a manufacturing organisation. They must have a positive approach and a high level of business acumen. Practical experience of developing costing and computerised accounting systems would be an advantage.

A salary of up to £40,000 is offered together with executive car, private health cover and contributory pension scheme.

Please write, in confidence, enclosing full career details to Jane Woodward at the address below, quoting reference number SHA. 1414.



Stoy Hayward Associates

MANAGEMENT CONSULTANTS, EXECUTIVE RESOURCING, 8 BAKER STREET, LONDON W1M 1DA
FAX No: 01-487 3866

A member of Horwath International

Merchant Banking

Internal Audit

To £35,000. Outstanding Prospects

We are acting for a well-established and successful Merchant Bank with diverse activities, an excellent clientele and a growing presence in the U.K. and continental Europe. Recent developments will provide the Bank with further substantial opportunities in Europe during the 1990s.

A reorganisation has created two openings, for an Audit Manager and an Audit Senior respectively. The Manager will report to a Director who has a broad range of responsibilities, and will assist the Director in his role as Compliance Officer.

The appointments represent an excellent introduction to Merchant Banking for Chartered Accountants with, perhaps, three years and twelve months post qualification

experience respectively. Both will be expected to progress into other business or managerial roles in the short to medium term. Applications are also invited from non-accountants with relevant experience in banking and an interest in this field.

Salaries are negotiable in the £25-35,000 range and a good banking package will be offered.

Please write in confidence, enclosing career details and quoting reference 174/1, to Nigel Halsey, Managing Director, at the address below. Telephone 01-495 4446.

**The
Halsey Consulting Partnership**
34 Brook Street, Mayfair, London W1Y 1YA

MIDDLESEX c.£30,000 PACKAGE + CAR + BENEFITS

Are you as good with people as you are with figures?

With a number of Sales and Distribution branches nationwide, this major British FMCG group has a diverse range of market-leading products and an impressive record of expansion.

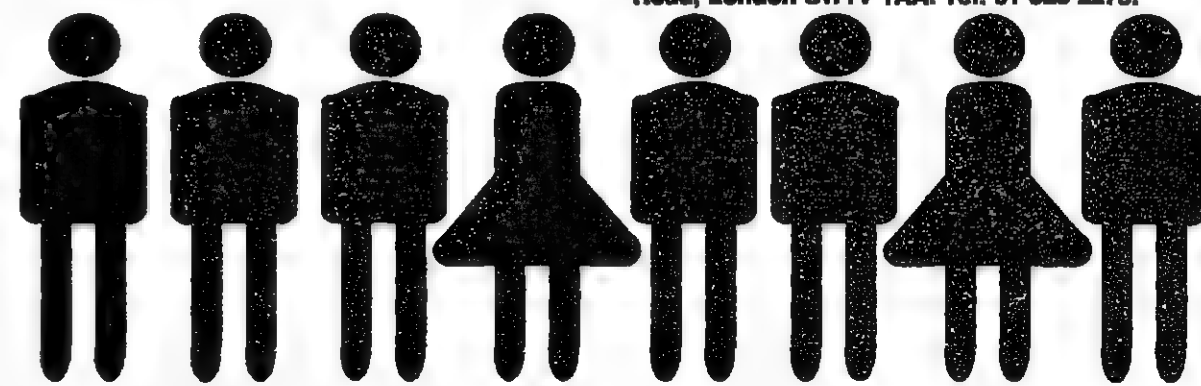
Your role as Accounting Control Manager will be to co-ordinate the activities of the branches, directing an Accounts Manager at each site and liaising widely with the Branch Managers and other members of the senior management team.

You will be responsible for maintaining and developing high operating standards across a wide range of financial systems within the increasingly computerised Sales, Distribution and Marketing functions. This will involve a limited amount of travel throughout the UK.

In the near future, you will be involved in a major systems implementation project, but initially your prime focus will be the management, development and training of people. As a result, you will need to be a qualified accountant with the professional credibility and interpersonal ability to inspire all-round confidence and efficiency.

Reflecting the seniority of this position are genuine career prospects and a wide range of large-company benefits, including non-contributory pension, BUPA and relocation expenses, where appropriate.

Write, with full CV and daytime telephone number, to Patrick Donnelly, quoting reference FT/062, PD Consultants, 314/316 Vauxhall Bridge Road, London SW1V 1AA. Tel: 01-828 2273.



European Tax And Finance Manager

Leading To Wider
Finance Opportunities
Initially Central London,
Attractive Salary, Car
And Benefits Package

This highly successful Group is a major international force in packaging and printing. A newly created role offers an excellent career opportunity within a Head Office environment. Reporting to the European Finance Director you will be responsible for tax compliance and assistance with tax planning of the UK and European Group companies. Additionally, you will be involved with the financial management of the Group and carrying out a variety of ad hoc projects. Candidates aged 24-28 will be graduate Chartered Accountants with some PQE. A sound understanding of UK taxation is desirable. You should also have the ability and ambition to seek more general financial management opportunities that will be available within the Group at operating company level outside London.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a Personal History Form to, D. Pottier, Hoggett Bowers plc, 11-12 Queen Square, BRISTOL, BS1 4NT, 0272-298433, Fax: 0272 279714, quoting Ref: D16022/FT.

Hoggett Bowers

BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, EDINBURGH, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, ST ALBANS, SHEFFIELD, WINDSOR and EUROPE.

Management Consultancy

Accountants to £40,000 + car

Many organisations use consultants, few ask them back. Our clients are different – they do ask us back, again and again, to implement what we have recommended or to carry out new work.

We are a small consultancy, growing at over 30% annually and part of BDO Binder Hamlyn, one of the largest international firms of accountants and consultants. We aim for excellence in the provision of management consultancy services from concept to implementation, helping our clients succeed by improving their performance. To do this we focus on planning and systems, people and organisation.

Our Financial Management Division needs the highest quality candidates with the skills and determination to produce first class results in:

- * strategic planning;
- * profit improvement;
- * management information systems.

To help us maintain our rapid growth rate, we are currently looking for qualified accountants in their late twenties/early thirties with a good first degree and a career history which demonstrates success. In return we will provide you with a tailored training programme and a varied range of assignments to help you build on your existing skills.

If you would like to find out more about us, please telephone Paul James, Director in charge of the Financial Management Division, on 01-583 3303, or write to him at 8 St. Bride Street, London EC4A 4DA.

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Queen Mary & Westfield College University of London

Assistant Financial Secretary c.£24,000 p.a.

Queen Mary and Westfield College was formed in September 1989 by the merger of Queen Mary College and Westfield College. It is one of the largest of the many institutions which make up the University of London and is embarking on an exciting period of change. In October 1990 it will acquire a new medical faculty. A major capital programme in excess of £50m is already underway and scheduled for completion in 1992. The new College has an annual income of around £40m, from a wide variety of sources.

The Assistant Financial Secretary will play a key role in the financial planning for the new College and the preparation and monitoring of annual budgets.

This is an excellent career opportunity for a qualified accountant with relevant experience in the public or private sector, sound technical ability, management and interpersonal skills and the vision to contribute to a rapidly expanding and challenging environment.

If you are interested please telephone 01-978 5171 (24 hour answering service) for further particulars and application form quoting reference 90/13 or send your C.V. to the Personnel Officer, Queen Mary and Westfield College, Mile End Road, London E1 4NS.

Closing date for applications is 9th February 1990.

FINANCIAL CONTROLLER

Chester area £24-28,000 + car + benefits

Established only five years ago, and with turnover already approaching £70m, this highly profitable division represents one of the most exciting developments in the history of this prestigious international group. Consistently high levels of capital investment and aggressive penetration of markets in the UK and overseas will continue the momentum of future growth.

This fast moving division now requires an experienced accountant to be a key member of one of its strategic business units. Working closely with the Managing Director, you will take responsibility for all financial affairs of the business, providing and ensuring integrity of information to the Board. This will incorporate appraising existing controls and reporting procedures (developing additional systems where necessary), examining capital expenditure proposals and researching acquisitions. Commercial awareness and the ability to manage a multi-site business, will be essential.

You should be a qualified accountant, probably in your early thirties, with strong technical skills and a mature but dynamic personality, preferably with substantial experience in manufacturing/processing.

Success in this role is paramount to the continued evolution of this very young and exciting division. If successful, the achievements of the jobholder will lead to exceptional opportunities within either the division itself or the group.

To apply, please contact Linda Gashell at our Liverpool office, quoting reference 1333.

ASB

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A Division of ASB Research & Training Ltd

FINANCE DIRECTOR

**Aged 30s
Sussex c.£40K package
+ car + benefits**

Our client, a specialist sales distribution and processing company, operates as an autonomous subsidiary of a growth orientated, £200m t/o group with interests world-wide. Over the last 2 years this highly profitable subsidiary has firmly laid the foundations for rapid organic expansion.

It now wishes to appoint a pro-active, Finance Director to work with the Managing Director, to drive the business forward to achieve its ambitious profit and performance goals.

The brief will be demanding. Initially your role will centre on up grading the quality of its accounting systems by implementing a fully integrated computer system and pursuing a vigorous strategy of improvement where necessary. You will also be expected to provide a commercial advisory service to the Managing Director which will incorporate short and long term planning, investment appraisal and business management.

To handle this role you will need to be a qualified accountant with well developed skills in 3 areas: commercial acumen; financial expertise; and interpersonal communications. Ideally you will have experience of a service/distribution environment, but certainly you will need the personality and drive to successfully help take the company to the next stage of its development.

To apply please contact Chris Davis quoting Ref. 2122.

ASB

ASB RECRUITMENT LTD

Wellington House, 34 Waterloo Street,
Birmingham B2 5UJ. Tel: 021-233 0101
Fax: 021-233 0027

Also at: Leeds, Liverpool, Manchester,
Nottingham and Swindon.
A Division of ASB Research & Training Ltd

Financial Controller — Director Potential

**£35,000 inc quality car
M3 Corridor**

Our client, an international transportation and forwarding business, has an established UK presence. Renowned for its co-ordinated teamwork and high quality service, the company has a total commitment to continued growth both organically and by acquisition. To realise this ambition, there is a need to strengthen the existing UK management team, through the appointment of a Financial Controller.

Reporting to the Managing Director, principal responsibilities will include the management and motivation of the accounts function, development of management information systems and the fulfilment of a financial planning and analysis role. Playing a key part in the management of the company, strategic input will encompass the investigation of new business opportunities and the evaluation of potential acquisitions.

Candidates will be qualified accountants with a minimum of 2 years' commercial experience. Strong interpersonal and leadership skills are essential for success in this stimulating role. Only candidates with the track record to reach board level need apply.



CLARK WHITEHILL
Executive Selection

For further information, please contact
David Kennedy, Clark Whitehill Consultants Limited,
25 New Street Square, London EC4A 3LN.
Tel: 01-353 1577.

OPERATIONAL/ FINANCIAL AUDITORS

for a leading transport and security services group

- Mayne Nickless (UK) Limited is the holding company for the UK operating subsidiaries of Mayne Nickless Limited, an Australian company with interests in Australia, USA, Canada, mainland Europe and New Zealand. UK subsidiaries include Security Express Limited, Parceline Limited and Armaguard Limited.
- Two auditors are required, one based in Nottingham and the other in Newbury, to join an existing team with responsibility to the UK Audit Manager for undertaking a wide variety of assignments in the UK and occasionally mainland Europe and assisting in the continuing development of operational/financial review strategies.
- The work is challenging, varied and ideal for career-minded qualified accountants

(ACA/ACCA/ACMA) with an audit/commercial background and report-writing skills. Experience in computer audit and in the use of Lotus 123 or similar would be an advantage, as would fluency in either French, German or Spanish.

- The positions have a high profile in the company, offering scope for line management appointments in the short/medium term.
- Remuneration offered includes a salary negotiable in the range £18,000 to £28,000 per annum plus fully expensed company car, contributory pension scheme and private health insurance.

To apply, please write with full CV to Roger Wilson, UK Audit Manager, at the address below.

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Mabel Street, The Meadows
Nottingham NG2 3ED

Executive Role: International Business Environment

CORPORATE FINANCE

**Package
to £38,000**

Salary



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HALF**
LONDON

This blue-chip multinational maintains an elite team of executive corporate financiers as a business resource at Group centre. A multi-billion pound turnover industrial conglomerate, with an outstanding record of growth and profitability, it is the market leader in its field. In order to maintain this pre-eminent position it is constantly reviewing and developing activities in all its global markets. This is the function of the corporate finance team: to provide decision-making support to the Chief Executive and Board.

With a high level of individual responsibility, the roles operate in a non-hierarchical and team orientated environment. The brief is to optimise financial performance by analysing current and prospective activities. Considerable liaison with directors and senior level managers is required. Principal responsibilities will include:

- **ACQUISITIONS:** Appraisal of potential acquisitions and divestments; valuations and assessment of the impact on the Group.
- **PROJECT APPRAISAL:** Appraisal of major capital expenditure proposals and of project financing schemes.
- **LONG RANGE FORECASTING:** Development of long range financial forecasts.
- **MONITORING SUBSIDIARY PERFORMANCE:** Review of budgets, plans, operating performance and impact on corporate performance.
- **CORPORATE RESTRUCTURING:** Continual reappraisal of the Group's structure both in the UK and overseas.

A range of one-off project work, as required by the Board, is also envisaged. Some international travel should be anticipated.

The position is a proven route to other senior financial roles within the Group.

Candidates will be qualified Accountants, 27-32, rounded individuals, intellectually capable with well developed communication skills. Probable background would include Chartered Accountants, 'Big 8' trained with special project/corporate finance experience and seeking a first move from the profession, or other qualified Accountants with project appraisal experience gained in a blue-chip environment.

A first class remuneration package is offered including company car and relocation assistance where appropriate.

Please apply directly to Greg Ripley at Robert Half, Freeport, Walter House, Bedford Street, 418 The Strand, London WC2R 0BR. Telephone: 01-836 3545, or evenings on 01-485 1356. Alternatively fax your details on 01-836 4942.

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With a turnover in excess of £27 million, we are Europe's largest manufacturer of sophisticated building automation systems and controls.

A highly successful subsidiary of the international Landis & Gyr group, we now have this attractive opportunity for a Finance Director as a result of the group's reorganisation of its businesses.

Working closely with the Managing Director, you will play a key role in the running of the building control business, implementing the financial strategies vital to its future success and growth. This will involve you not only in financial management issues, but also in strategic planning decisions, systems

enhancement and team building.

A qualified accountant, your strong financial skills must be supported by a results orientated approach and excellent communication skills. You will be commercially-minded and experience within an environment dedicated to large-scale contracting would be a distinct advantage.

For an informal discussion, please contact our current Finance Director, Martin Johnston on 01-992 9953.

Alternatively, write to him with full career details at Landis & Gyr Building Control (UK) Ltd., Victoria Road, North Acton, London W3 6XS.

FINANCE DIRECTOR

LANDIS & GYR

EUROPEAN FINANCIAL MANAGER

Newly/Recently Qualified

c£30,000 + Car

This is an outstanding opportunity for a talented young accountant seeking rapid career development in a progressive international company. Following a period of significant expansion, our client, a major US engineering and instrumentation group with twenty subsidiaries in Europe, is currently setting up a new European HQ in London.

The Financial Manager will be a key member of the small Head Office team, working closely with the Finance Director and the VP-Europe. In addition to the Head Office accounting, this commercially orientated role will encompass budgets, forecasts and investment appraisal; integration of new acquisitions and assistance with the financial management of operating companies; development of improved treasury

management processes and ad-hoc project work for senior management.

Candidates should be qualified accountants of graduate calibre, with up to three years PQE in a leading professional practice or a substantial corporate environment. You must have sound technical abilities, initiative, commercial acumen and senior level credibility. This challenging role will suit an ambitious individual with the ability to take on a subsidiary controllership within two to three years.

Please reply in confidence, giving concise career, personal and salary details to Paul Corvoso, quoting Ref: L476.

EGOR Executive Selection,
56 St. James's Street,
London SW1A 1LD (01-829 8076)

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EXECUTIVE
SELECTION

United Kingdom • Belgium • Denmark • France • Germany • Italy • Netherlands • Portugal • Spain • Sweden

CITY

TO £55,000
+ SUBSTANTIAL BENEFITS

Finance Director

Our client is the investment management subsidiary of a major UK financial services group. With assets under management approaching £8 billion, the company has a substantial role in managing diverse portfolios — both for the group and for external clients.

As Finance Director you will make a key contribution — working at the highest level in determining strategies for business development, as well as taking operational responsibility for all financial activities and the growing compliance function.

You will be a graduate qualified accountant or MBA in a related discipline in your late thirties or early forties.

You must have gained substantial experience in the financial services sector, although detailed technical knowledge of the investment area is not essential. You must demonstrate proven management skills, together with the personal presence and maturity demanded by this challenging role.

Please send full personal and career details in confidence to Alison Lewis, PO Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL, quoting reference 5339/FT on both envelope and letter.

Coopers & Lybrand
Deloitte

Executive
Resourcing

Coopers & Lybrand Deloitte is the business name used by Coopers & Lybrand and Deloitte Haskins & Sells in the UK. The two firms are to merge on 29 April 1990.

PQE

DOCKLANDS £35,000 + car

Investment Property Accountant

This world-wide operator in the business of property management and investment, is seeking to appoint the Senior Accountant of a department which will ultimately consist of twenty-five staff. You will spearhead the development of a young team and implement information and communication systems that are fast, accurate and responsive. During the first year, extensive travel to the overseas Head Office will occur — regular international liaison being a core element of the role.

Ref: 15184

Contact the Manager: 14 Harbour Exchange Square E14 01-538 9797 Fax: 01-538 9543

HEMEL HEMPSTEAD To £30,000 + car

Assistant Treasurer

This international corporation has already attained world status as a high technology business organisation, and further expansion is planned through out this decade. With this in mind, the company seeks a capable individual to undertake this important role. Some of your responsibilities will include accurate cashflow reporting, forecasting, optimising returns on funds invested, minimising cost of borrowed funds, co-ordinating and supervising insurance arrangements and acting as Deputy in the absence of the Treasurer.

Ref: 87A1021

Contact the Manager: 55 High Street, Watford 0923 50350 Fax: 0923 37148

Post Qualification Experience — send your CV or phone the appropriate Manager or our Specialist PQE Career Advisers on 01-489 0403 (24 hour answering service) for an application form now.

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REED... accountancy

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THE TIME HAS COME... FOR A CHANGE

THAMES VALLEY CAREER FAIR
RAMADA HOTEL, READING
THURSDAY 25th JANUARY 1990 4.30pm-9.00pm

Experienced? Part Qualified? Finalist? Qualified?

Considering your next career move, or keen to know more about current market activity?

Below are representatives of the business community who will be at the career fair to discuss their recruitment requirements.

For more details about the event or for further information if you can't make it on the day contact David Brownlow on 0753 35939.

Haines Watts
H/W
CHARTERED ACCOUNTANTS

VODAL
FACAL TELECOM

Solution for Business
AA

CALOR Gas

3M

BPD
COURSES

Lex Concessionaires **Lease Plan UK Limited** **L7**

Accountancy Personnel

Financial Controller

Redditch, Worcs

Our client, Shakespeare Company (UK) Ltd, is a branch of the Fishing Tackle Market. This profitable, American owned company operates autonomously in the UK and enjoys an enviable position in the world market. To strengthen the management team Shakespeare now seek to recruit a Financial Controller to take full responsibility for all aspects of the financial function of the company, reporting to the Managing Director.

The ideal candidate will be a qualified accountant with experience of the full range of financial and management accounting disciplines. The role will encompass the production of management and financial accounts, budgets, forecasts and company secretarial duties.

Although this is a manufacturing company financial accounting skills and commercial acumen are of prime importance.

The successful candidate must be prepared to become involved in the long term commercial success of the business, and with this in mind the salary is supported by a substantial company performance related bonus. The package also includes company car, pension scheme and private health insurance.

If this position interests you, please send full CV, including salary details and quoting reference F/640/J to Julie E Meakin, Ernst & Young Search and Selection, Lowry House, 17 Marble Street, Manchester M2 3AW.

To £25,000 + bonus + benefits

Ernst & Young

Appointments Advertising

appears every Wednesday and Thursday, for further information please call:

01-873 3000
Elizabeth Arthur ext 3694
Nicholas Baker ext 3351
Jennifer Hudson ext 3607
Richard Huggins ext 3460
Adam Futran ext 3559
Sarah Gabe ext 3199
Stewart Maddock ext 3392

GLOBAL CAPITAL MARKETS

DEPUTY FINANCE AND OPERATIONS MANAGER

A leading international bank with an impressive reputation in sales, trading and financial engineering, seeks a Deputy Finance and Operations Manager for its long-term finance operations area.

In this senior role, you will be Deputy Head of a team of 32 staff providing operational support for the sales and trading of Eurosecurities including new issues, fixed and FRN products and asset swaps. Specific responsibilities will be to create the business infrastructure for new and established business opportunities and ensure that all operations and processes achieve optimal performance. This will include market and credit risk, analysis and control, compliance, funding and profitability and will require close liaison with dealing room management.

You are likely to be an accountant with practical experience and in-depth knowledge of Eurobond accounting and operations; knowledge of Equities and Swaps would also be an advantage. Your line-management skills are well developed and you are prepared to get involved in the detail in order to understand the business. Strongly self-motivated, you have demonstrated your initiative and communication skills by building relationships with traders/dealers either in finance or operations with another prestigious capital markets house, or as an auditor/consultant with a professional firm specialising in this sector.

Above all it is essential that you have the combination of strategic vision and a pragmatic hands-on approach that will enable you to succeed to the Head of Department position within 12 months.

Based in London, the position offers an attractive banking salary and benefits package including company car mortgage subsidy and bonus. Please write with CV and salary details to:

(REF FT220), GPA Marketing, Unit 11, Telfords Yard, The Highway,

International Institute of Tropical Agriculture
Ibadan, Nigeria

DIRECTOR GENERAL

IIITA invites nominations and applications for the position of Director General.

IIITA is an international agricultural research institute in a world-wide community of 13 centres co-sponsored by the World Bank, Food and Agriculture Organisation (FAO) and United Nations Development Programme. The Institute has substantial and outreach programs in many countries of sub-Saharan Africa. IIITA scientists from 45 nations work in partnership with national agricultural research agencies to raise the productivity and income of small-scale African farmers, and thereby to increase food production in Africa.

The Director General is the chief executive officer, headquartered in Ibadan, Nigeria, responsible to an independent Board of Trustees which includes distinguished scientists and leaders from around the world. The Institute has an annual budget of \$30 million and it employs approximately 2000 internationally recruited and over 1,000 locally recruited staff.

Candidates should have:

- Vision and leadership qualities.
- Successful record of management of others at a high level.
- Extensive international experience, including knowledge of agricultural research.
- Ability to communicate and inspire the loyalty of scientists and administrators of different nationalities and disciplines.
- Ability to command respect at high levels of government, donors, international cooperation agencies, and scientific associations.
- Energy, initiative and innovative ability.
- Experience in African agriculture would be preferable.

This position provides an opportunity for an experienced leader to contribute to the resolution of one of the most serious problems of international agricultural development today.

Recommendations in competition and include housing, personal car, assisted education, health insurance and annual leave travel. The Institute is situated on an attractive 1,000 hectares campus outside Ibadan and has excellent recreational facilities, medical clinic, and school.

Applicants for the position of Director General, are invited to send their curriculum vitae, date of availability and names and addresses of three referees to Trustees Search Committee for the Director General of IIITA, c/o L.W. Lambourn & Co. Ltd., Carolyn House, 28 Dingswall Road, Croydon CR9 3EX, England.

NEW TOP EXECUTIVE JOBS

IS YOUR CAREER ON TARGET?

Since 1980 we have been providing a personal support service to senior executives who want to move to a new position or financial opportunity.

For a confidential meeting which is without charge, please contact our Executive Recruitment Service.

Comnaught-Mainland

22 Suffolk Street, Birmingham B1 1LS 021-643 2262

CHIEF ACCOUNTANT

CIRCA £30,000 + CAR + BENEFITS WEST SUSSEX

Our client, a leading multinational, involved in the manufacture of high-tech equipment, has enjoyed its most successful year to date with sales in excess of \$US500 million worldwide. This dramatic growth is anticipated to continue well into the 90's and the need has therefore arisen for a high calibre Chartered Accountant to join the existing senior management team. Reporting directly to the Financial Director, the successful candidate will enjoy a position that offers the complete responsibility commensurate with a senior financial role. A successful track record gained within a manufacturing environment is important, as is the ability to demonstrate already proven technical and interpersonal skills in the control and management of a medium sized finance department. This exceptional career opportunity should attract ambitious individuals aged 27-35 looking to join a well structured organisation committed to the continued development of its staff.

For further information please telephone Claire Pym or alternatively send a detailed Curriculum Vitae to Richard Hartley, FCA at the address below.

Hartley Management Selection

36/38 Whitefriars Street
London EC4Y 8BH
Tel: 01-353 3277 Fax: 01-353 9741

FINANCE AND BUSINESS MANAGER

W1

TO £30,000 + CAR

AMERICAN PUBLISHING HOUSE have traditionally produced their world leading magazines in the States but now plan to establish London as the European headquarters with separate production facilities. They are currently putting together the management team to run this venture and they need to recruit a young accountant who will be able to handle an unusually wide brief.

A small proportion of the job will relate to preparation of financial and management information for the American head office to very strict deadlines but the emphasis will be towards providing a wider range of business advice to the management team. This will include strategic planning and forecasting and analysis of the company's market place and will require the establishment of a particularly close relationship with the sales and marketing divisions.

It will require an accountant who sees his/her qualification as a passport to wider business horizons. It will require the ability to handle concurrent projects and to communicate ideas effectively to non-accountants. Candidates should be able to demonstrate evidence of these abilities in their career to date.

Please contact Gordon Montgomery on 01-629 8863, fax 01-406 0961 or write to him at the address below.

BOND ACCOUNTANCY

RECRUITMENT CONSULTANTS

BOND HOUSE, 19-20 WOODSTOCK ST, LONDON W1R 1HF Tel: 01-629 8863

Director of International Audit

Worldwide Entertainment Group

To £40,000 +
Car + Bonus

Our client, a leading international entertainment organisation with a turnover approaching \$400m, has expanded rapidly in recent years. A dynamic management team coupled with innovative marketing strategies has been effective in producing accelerated organic growth, leading to substantial business opportunities globally. The company culture is both competitive and highly entrepreneurial.

Increased internal demands have generated the need to augment the finance function with a Director of International Audit. Reporting directly to the Chief Financial Officer and managing a team of qualified accountants, the appointee will immediately assume overall responsibility for the planning, review and implementation of financial and operational controls world-wide. This will largely incorporate the management and co-ordination of organisational audit programmes, the review of operating subsidiaries and licensee agreements internationally, and special investigations into the viability and effectiveness of long term contracts and partnership arrangements.

This opportunity will appeal to a qualified accountant (aged 30-40) with a record of achievement to date, either within a commercial environment or public practice. An ability to both impartially assess organisational problems, and liaise at all levels in a challenging environment, is a prerequisite.

The benefits include an attractive remuneration package together with fully expensed car and the potential to progress rapidly to senior management status.

For further information in strict confidence contact Brian Hamill on 01-287 6285 (evenings and weekends 01-627 4974). Alternatively, forward a brief resume to our London office quoting Ref: BH 504.

WALKER HAMILL Financial Recruitment Consultants

29-30 Kingly Street London W1R 5LB Tel: 01 287 6285 Fax: 01 287 6270

Group Financial Director

Diversified Private Holding Company

North West Kent
on M25

Substantial Negotiable Salary
& Participation Package

Our Client is a well-known private Group with substantial asset backing and annual sales above £50 million. The Group Companies, engaged in contracting, project management and associated product distribution continue to enjoy sustained and profitable growth through quality of performance and leadership in their fields of operation.

This new Board appointment is being made as a prelude to the founder's planned retirement; it offers exceptional scope personally to influence the shape of the Company, to play a major role in its future direction and to participate in its continuing financial success.

As Financial Director, you'll join an informal, hard-working, non-bureaucratic team. In your dual strategic and operational management role, key responsibilities will be the efficient management of Group financial administration, the enhancement and upgrade of current information systems and controls. Of equal importance will be the identification and negotiation of new acquisitions, joint ventures and marketing agreements.

A graduate accountant in your late 30's to early 40's, you'll already have gained success in a similar position. Your highly practical, entrepreneurial outlook is likely to have been developed and honed in an industrial, contracting or competitive services environment. A credible and experienced negotiator, communicator and man-manager, you'll also have balanced technical skills in the treasury, taxation, DP/MIS management, investment strategy and corporate secretarial fields. An objective, decisive style and a good level of computer literacy at the macro-level will also be essential.

Starting salary (which will not be a constraint for the right person) - is likely to appeal to those currently earning £50,000 or more. You are asked to write initially, in complete confidence, to myself as Selection Adviser to the Company, quoting reference number 1413.

Paul Lichtin, Director,
Thompson Associates Ltd.,
Compton House, Selsdon Road,
Croydon CR2 6PA.

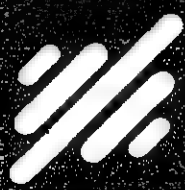


FINANCIAL DIRECTOR DESIGNATE

Newly or Recently Qualified ACA

LONDON N9

To £33,000
+ Bonus, Share Options,
Car & Relocation



Our client is the market leader of an industry worth an estimated £750m.

Established in 1949, their commitment to excellence ensures that their prominent position will remain secure throughout the 1990's and beyond. Turnover has increased by over 500% in 2 years alone. This substantial, yet stable growth owes as much to sound business planning as it does to the aesthetic and ecological success of their projects.

In the last 10 years, our client has been the recipient of at least 13 national and international awards in the field of environmental re-generation.

This success has resulted in a unique position for an F.D. Designate.

Reporting directly to the Director of Finance and Corporate Strategy, this key role is vital in perpetuating the growth and profits of the company. The support of a highly motivated, dynamic team of unparalleled experience and expertise will ensure unequalled challenge and career development.

The successful applicant will be responsible for the full financial management of the U.K. and European operations including developing a sophisticated management information system, operational control and strategic analysis.

Candidates will be Chartered Accountants with up to 5 years post qualification experience. Strong commercial flair combined with an excellent personality and the ability to communicate at all levels are pre-requisites.

To discuss this in further detail, please contact Patrick Porter or Oonagh Brennan on 01-629 4463 or evenings/weekends on 01-423 0245.

HARRISON WILLIS

FINANCIAL RECRUITMENT CONSULTANTS

Cardinal House, 39-40 Albemarle St., London W1X 3FD. Tel: 01-629 4463.

Finance Manager

South West

\$30,000 plus car and benefits

A unique opportunity to participate in one of the most exciting developments in business rarely occurs. The creation of 80 TEC's (Training and Enterprise Councils) in the UK will have a direct influence on the future of British industry.

The role of the Finance Manager in the Devon & Cornwall TEC, the largest provincial TEC, will be to develop the financial dimensions, institute controls, maximise the use of computer and I.T. systems and most importantly bring a strong commercial contribution to the variety of initiatives with which the TEC's are charged. An innovative approach to new opportunities is vital as the TEC becomes involved in a wider interface with the local community.

You will be a qualified accountant with a minimum of 5 years' commercial experience. This must have included the production of statutory accounts and budgetary responsibility in a £20m plus company. Ideally an exposure to Governmental accounting procedures is desirable. What you must bring is flair and credibility to the financial management of a highly visible and accountable organisation.

An attractive package is offered to include assistance with relocation if necessary.

Please reply with a full cv to Mike Flanagan, Ref: FT 19514, MSL International (UK) Ltd., Broad Quay House, Broad Quay, Bristol BS1 4DJ.

MSL International

WI. c.£30,000 + FINANCIAL BENEFITS

With diverse interests in the financial sector, this major British group has a philosophy of continual change and expansion through new ventures and major acquisitions. Crucial to this innovative culture is their pro-active internal audit team, whose responsibilities start with policing, yet extend to ensuring increased efficiency throughout the entire Group.

As a result of internal promotion, two "hands-on" project-based roles have been created within this multi-disciplined team for ambitious audit professionals. Liaising closely with senior management to identify opportunities for business development, you will concentrate on specific products and business areas, appraising both their performance and their potential.

Qualified, with "Big 8" exposure, you must possess sound commercial awareness. However, whatever your more recent background, demonstrably strong computer audit skills should be coupled with an obvious flair for communication at all levels.

Besides invaluable visibility and experience, these positions offer excellent group-wide career prospects and many financial sector benefits, including subsidised mortgage and relocation assistance. In addition, the package quoted (which may include a car) need not be a limiting factor for exceptional applicants.

Write, with full CV and daytime telephone No., to Patrick Donnelly, quoting ref: FT/060. PD Consultants, 314/316 Vauxhall Bridge Road, London SW1V 1AA. Tel: 01-828 2273

WHERE
audit
IS MORE THAN
audit

Large UK Plc with Strong International Presence HIGH PROFILE FINANCE INVOLVEMENT

West London

The long established and renowned consumer brands of this client continue to enjoy their position as market leaders both within the UK and on an international basis. Recent additions to their product portfolio have proved to be equally successful.

One of the most recent developments of this large international group has been the establishment of a major joint venture in the Far East. This plus other significant developments have generated the need for a Regional Controller.

Although based at the International Head Office, the incumbent of this position will have a very direct and close involvement with Operational Management at key locations. The day-to-day responsibilities will include:

- Appraisal of current results, proposed plans, budgets and courses of action

£27-30,000 pa + car + bonus

- A full involvement in the control and analysis of such key areas of cost such as marketing.

As a young qualified Accountant who has an interest in the international trading business environment, you will enjoy a limited amount of overseas travel in this role (up to 10%). You will already have a manufacturing background and have been exposed to commercial management in a blue-chip organisation. You will have a mature approach and a very credible impact, able to build good, open working relationships with Senior Management both locally and on a remote location basis.

If you feel that you are able to respond to the above challenge please telephone Karen Wilson on 01-491 3431 or write to her at FMS, 14 Cork Street, London W1X 1FF enclosing a recent CV and a note of current salary.

FMS

Search and Selection Specialists
for
Financial Management

Audit Controller

TESCO

A strategic role with commercial impact

Cheshunt, Herts

£33,000 + Executive Car

Tesco is one of the leading names in retailing in the UK. Operating profits rose by 29% in 88/89 and with ambitious plans to reach a nationwide total of 400 stores this year, the future has never looked brighter.

At the heart of this £5,000 million turnover business is the profit motivated Corporate Audit department - a young, dynamic enterprise in its own right, and the key to all Head Office financial decisions. An opportunity exists to head up this large and pro-active team. Reporting to the Director of Audit, your prime responsibilities will include:

- ▲ Identification of targets
- ▲ Influencing management control
- ▲ Reviewing company policy
- ▲ Recruiting, training and motivating staff



This is a superb entry point into group management at Tesco, offering ample opportunity to progress to either financial planning or senior line management. Aged in your late 20's/early 30's, you should be a qualified Chartered Accountant, ideally with over 2 years' post qualification experience. You can expect a wide range of large company benefits, including an expensed company car in the BMW/Mercedes bracket.

For further details, contact our advising consultant Andrew Fisher on 01 404 3155 or write to him at Alderwick Peachell & Partners, Financial & Accountancy Recruitment, 125 High Holborn, London WC1V 6QA. Fax: 01 404 0140.

Cost Accounting Manager

West London

c.£26,500 + car

Our client, a major international cosmetics manufacturing company, wishes to appoint a young qualified accountant (CIMA) with 3-5 years factory accounting experience for this new position.

Reporting to the Financial Controller for UK and Europe, the successful candidate will be heading a team of five and be responsible for the full costing function of a factory with a £20 million output.

General manufacturing business background, wide experience of detailed standard project costing

and appreciation of inventory management techniques are essential qualifications for this job. The position offers the opportunity for excellent career progression, as well as all the benefits normally associated with a prestigious multinational company.

Please send brief personal and career details quoting reference F/100/K to Suzanna Karoly, Ernst & Young Search and Selection, 1 Conduit Street, London W1R 9TB.

Ernst & Young

SEARCH AND SELECTION

OPERATIONAL REVIEW UK SECURITIES HOUSE

ACA

An exceptional opportunity has arisen within a leading UK securities house which has achieved a well established and enviable presence in the world's major financial centres. With a history of stability and consistency of management, the group prides itself on being specialised, independent and international.

This key individual will report directly to the Group Audit Manager in London and perform operational reviews of critical business areas including overseas offices.

The role will be consultative and developmental in nature and will require extensive liaison with senior management. Ad-hoc projects including investigations and recommendations for improvements within each business sector will constitute a major part of the role.

Applicants will be newly-qualified accountants (or finalists) from an auditing environment. Although not essential, some exposure of financial institutions would be beneficial. The most important attributes will be strong interpersonal skills, initiative and a dynamic personality. Managerial potential must also be in evidence in order to take full advantage of future business opportunities.

A competitive salary package is negotiable and will reflect the capability of the successful candidate.

Interested applicants should call Andrew Chancellor on 01-437 0464 between 8.00 am and 10.00 pm or write to him, enclosing brief details, at the address below.

ROBERT WALTERS ASSOCIATES

RECRUITMENT CONSULTANTS
Queens House 1 Leicester Place London WC2H 7BP
Telephone: 01-437 0464

£25,000 + Car

Group Tax Manager

Central London

This substantial international group has diverse interests but is best known for construction and property development.

The Group Tax Manager will be responsible for the group's tax affairs both in the fields of planning and compliance. Liaison with tax consultants in specialised fields and in the overseas subsidiaries is expected. The present manager is due to retire during 1990.

Applicants must be suitably qualified and should be aged around 40, with considerable tax experience

to c.£40,000 + Car, etc.

gained perhaps as the number two in a substantial industrial/commercial organisation. Technical ability must be matched by good business awareness.

A personable, enthusiastic executive with a well-developed sense of communicative skills is sought.

Please send your curriculum vitae, including current salary and daytime telephone number, quoting reference N2034 to Michael Ping, Grant Thornton Management Consultants, Grant Thornton House, Melton Street, Euston Square, London NW1 2EP.

Grant Thornton

MANAGEMENT CONSULTANTS
The UK member firm of Grant Thornton International

FINANCIAL MANAGER

LONDON

£40,000 + CAR

Braxton Associates, one of the leading international strategic management consultancies and a member of Touche Ross International, seeks a commercially minded accountant to take full responsibility for its finance function, reporting to the Managing Director.

With offices in London, Paris, Munich, Boston and Los Angeles, Braxton has grown rapidly, and services an impressive list of clients, most of whom are blue chip multinational corporations. The firm's success is built on its ability to help these clients achieve real and lasting improvements in their financial and competitive performance.

Braxton is a stimulating place to work. Its 130 employees come from many national backgrounds, and include not only the cream of first graduates but also many MBAs from top business schools such as Harvard and INSEAD. The culture is, nevertheless, not academic but distinctly commercial, with attention firmly focused on profitability and cash management.

The Finance Manager's role is therefore of key importance. Prompt, accurate and meaningful financial and management accounts are seen as vital to the efficient control of the bottom line and the bank balance. Similar

importance is placed on the need for continuous review and development of systems to keep pace with Braxton's continuing growth.

Applicants must have sound all-round experience in a hands-on environment, being equally at home adopting a shirt-sleeves approach to basic accounting functions, handling foreign exchange transactions or discussing policy at board level. Self-starters with a high energy level, they must possess the intellectual capacity and inter-personal skills to earn the respect of Braxton's highly intelligent and talented consultants. Above all, candidates must understand what makes a business tick and have the proven ability to get results.

If this challenge excites you and you believe you meet our requirements, please send a comprehensive career résumé, including current salary and day-time telephone number, quoting ref. 3097 to Vivienne Hines, Executive Selection Division.

Touche Ross

5th Floor, 52/54 High Holborn, London WC1V 6RL
Telephone: 01-353 7361

AQUA Finance Director

West Sussex

Negotiable c.£22,500 + car + benefits

Aqua Hydraulics Ltd, with a turnover of £5 million, is a leading manufacturer of high-pressure water pumps and associated equipment. It is an autonomous business unit within Dobson Park Industries, a substantial publicly quoted group.

An exciting opportunity has arisen for a financial professional who is keen to play a full role as a member of the executive team. Reporting to the Managing Director, the successful applicant will be responsible for the day to day financial management of the business, involving provision of management information for both Company and Group purposes, planning and forecasting, plus a lead role in capital expenditure proposals and maintenance and development of

computer systems. The position also carries responsibility for the Company secretarial, human relations, and administration functions, together with involvement in the commercial and legal aspects of the business.

The ideal candidate will be a qualified accountant with a "hands-on" management style, a successful background in the engineering industry, and with experience of working with computer systems.

If you can meet these requirements, and have the ability to respond positively to the breadth of this position, please write, in confidence, with a comprehensive C.V. to: D.L. Lowe, Managing Director, Aqua Hydraulics Ltd, Star Trading Estate, Partridge Green, Horsham, West Sussex RH13 8RA.

A.C.A.

Corporate

Finance

£25-30,000

+

Benefits

An established, City based UK Merchant Banking Group is seeking to strengthen its Corporate Finance Team through the addition of a young, Qualified Chartered Accountant. In this challenging and varied role, as part of a dynamic team you will have considerable exposure to:

- Advising clients on acquisition finance
- Venture capital and financial engineering
- Portfolio management/investment advice
- Capital market debt issuance

In addition to a sound academic background the successful candidate will be a Newly/Recently Qualified A.C.A. and will be able to demonstrate excellent analytical and communication skills. This is an outstanding opportunity for a high calibre, career orientated individual to develop within a demanding and constantly changing environment.

For further information please telephone or send your CV to Valerie Grassham or Tony Leggett at Joslin Rowe Associates (Financial Recruitment Consultants), Bell Court House, 11 Blomfield Street, London EC2M 7AY. Tel: 01-588 7287. Fax: 01-382 9417.

JOSLIN ROWE
Accountancy

BUSINESS APPRAISAL

Executive Position: Financial Evaluation and Initiating Change

Vickers' flexibility of approach and commitment to excellence has been the key to success. Vickers has evolved into a leaner and more competitive company, operating as a specialist in a variety of niche markets. This international Group has five principal businesses, each a market leader, including Rolls-Royce and Bentley Motor Cars. An international strategy and a highly focused management team will ensure that growth will continue, both organic and through selected acquisitions.

Internal promotion, together with corporate growth, has created an opportunity for a young executive within the Business Appraisal Department. The role will embrace:

- Acquisition and divestment appraisal
- Project, tender and capital expenditure appraisal
- Appraisal and monitoring of operational plans and performance
- Corporate restructuring - both in the UK and overseas
- Ad hoc projects

Considerable liaison with Board Directors, Divisional Chief Executives and external consultants is an integral part of this role.

The Department is a proven route to commercial and financial directorship within the Group.

Candidates will be qualified Chartered Accountants, possibly with an MBA, seeking a career move into a strong commercial environment. Exposure to corporate finance, special investigations or other commercial work within the profession, or in business would be advantageous.

Please apply directly to Greg Ripley at Robert Half, Freeport, Walter House, Bedford Street, 418 The Strand, London WC2R 0BR. Telephone 01-836 3545 or evenings on 01-485 1356. Alternatively, fax your details on 01-836 4942.

Financial Recruitment Specialists
London · Birmingham · Windsor · Manchester · Bristol · Leeds · Brussels · USA · Canada

FINANCE DIRECTOR

NOTTINGHAM

Up to £40,000 plus car and bonus

An opportunity to join the board of the United Kingdom's leading manufacturer of domestic cabinet furniture

The position of Group Finance Director has become vacant on the appointment of the present incumbent to a position outside the Stag group.

As Group Finance Director you will be responsible to the group's Managing Director for all financial and accounting functions in the group, including direct responsibility for the finance division of the group's principal operating subsidiary, Stag Meredew Furniture Limited.

This is a demanding job where a broad scope of financial and management accounting skills are essential, as is the willingness to take a personal involvement in the company's operations.

IF YOU HAVE:

- an appropriate professional qualification (FCA/ACA)
 - experience in the financial management of a public company
 - a record of industrial management accountancy
 - familiarity with practical data processing
- then you will then be ready to take on the hard work and excellent rewards that this job offers. Send a comprehensive curriculum vitae to W. B. C. Evans, Group Managing Director.



Stag Furniture Holdings plc
HAYDN ROAD, NOTTINGHAM NG5 1DU

DIRECTOR GENERAL

The International Spinal Research Trust was set up in 1981 to fund medical research aimed at curing paralysis. It has grown rapidly to become one of the top 400 UK charities.

The charity is now seeking a Director General to manage a small but experienced team to develop its potential. As well as supervising the financial and administrative affairs of the Trust, the successful applicant will be expected to take a leading role in quickly raising both its level of income and public awareness of its work.

The Trust is seeking a successful business man/woman with broad-based experience.

Salary negotiable.

For details please ring 01 367 3555

AUDITOR - South Coast c£25,000 p.a.

A qualified accountant is required to join the audit team of a large financial organisation on the South Coast. There is a generous relocation package and the benefits include a mortgage subsidy.

Please telephone
Shelagh Arneil on 01-583-1661 or send
c.v. to her in confidence:

Angel International Recruitment,
50 Fleet Street, London EC4Y 1BE



J. TREVOR & SONS

POWELL TUCK & PARTNERS

REGIONAL ACCOUNTANT-COMMERCIAL DIVISION W1

c£20,000 + CAR

For further information
contact:
Accountancy Personnel,
3rd Floor,
40/41 Old Broad St.,
London WC1R 3AF
Tel: 01-488 4834

J. Trevor & Sons offer experienced Accountant an exceptional opportunity to develop their potential within a challenging, commercial environment. The varied role involves property management and client accounts, budgetary control, planning and introduction of new systems and procedures, and supervision and training of staff. The position is ideal for a finalist or time-barred accountant with a strong personality, the ability to communicate effectively at all levels, and previous experience in a commercial environment. Ref: PFC5

CONFIDENTIAL

FINANCIAL CONTROLLER

STAFFORDSHIRE to £28,000 + CAR + BENEFITS

Our client, based in Newcastle-under-Lyme, Staffordshire, is a highly successful and influential producer of high technology computer and electronics products. Reporting to the General Manager, the Financial Controller will play a crucial development role, assuming direct responsibility for the financial planning, accounting and computing affairs of the company's distribution subsidiary. The successful applicant must be a professional/qualified graduate with a record of achievement gained in a senior financial management position within a dynamic commercial environment.

BWD
RENSBURG
LTD

COMMERCIAL EDGE YORKSHIRE

Negotiable Package

BWD Rensburg has an enviable reputation as a leading firm of stockbrokers. A rare opportunity exists for an individual with a successful accountancy background to enter the fast moving world of stockbroking. Your professional, financial acumen and excellent communication skills will prepare you for an exceptionally challenging position as a Stockbroking Executive within the region, with career prospects limited only by your own ambition, enthusiasm and commitment.

Also as a result of expansion, an Accounting role has arisen at the company's Head Office in Huddersfield, to involve assisting in the production of budgets and management accounts.

For further information
contact:
Accountancy Personnel,
11 Station St.,
Huddersfield
HD1 1LS
Tel: 0484 422211

Accountancy Personnel

You don't just count you matter

HAYS

GROUP COMPANY SECRETARY West Midlands

Triplex Lloyd plc is an engineering group, serving the automotive, power, defence, construction and electrical engineering markets of Europe and North America.

The vacancy of Group Company Secretary which Triplex Lloyd is seeking to fill has arisen through the untimely death of the incumbent, and is a special opportunity for an individual to work at Board level in a lively, innovative and highly successful organisation. This dynamism is reflected in the Group's recent growth. Annual turnover has increased from £27 million in 1985 to around £180 million at present, and over the last six years the company has moved from a loss of £992,000 to a profit of over £8 million in 1989.

The main responsibilities will be provision of statutory, legal and administrative Company Secretarial services to the Triplex Lloyd Group. Co-ordinating the management of Company Pension Plans, involvement in mergers, acquisitions and major projects and the monitoring of shareholder investment are also important aspects of the job.

This demanding senior post requires a professionally competent individual with exceptional personal qualities. Candidates must have previous company secretarial experience and preferably be educated to degree level in a legal or financial discipline. Dedication, reliable and accurate reporting and good communication skills are essential for success in this role. The ability to lead and develop a small team is important in the context of the Group's continuing growth.

We offer an excellent remuneration package including competitive salary, annual bonus scheme and good pension plan with life insurance, contributory health insurance and fully expensed executive car.

To apply, please write with full curriculum vitae to:

J A Doel, Chief Executive
Triplex Lloyd plc
Cranford House, Cranford Street
Smethwick, Walsley
West Midlands B66 3JR



TRIPLEX LLOYD

FINANCIAL CONTROLLER (Financial Director Designate)

North West
Age: 28-38

c. £30,000 + car
+ benefits

Our client is a highly successful and profitable privately-owned manufacturer and distributor of household products. Market leader in its specialised FMCG sectors, it supplies a blue-chip customer base. The company is committed to a policy of sustained growth, both organically and through acquisition. Following a retirement, it now requires a high-calibre qualified accountant to join the young, progressive management team.

The new appointee will assume overall responsibility for the financial functions, paying special attention to improving the quality of management information systems and controls. He/she will also play an important role in all general management of the company, working closely with the Board and senior colleagues on present and future development of the business.

The successful applicant, probably a graduate, will have several years experience in industry or commerce and will possess well-developed commercial skills. These qualifications will be supported by a sound knowledge of computer systems, good interpersonal abilities and an open, positive personality.

This position provides not only a stimulating medium-term challenge, but also an exceptional long-term career opportunity with matching rewards.

Please apply to our Manchester office, where your contacts are Dudley Harrop and Andrew Shaw.



Amethyst House, Spring Gardens,
Manchester M2 1EA. Tel: 061-634 0618
Fax: 061-632 9123
Also at Birmingham, Leeds, Liverpool,
Nottingham and Swindon
A Division of ASB Bennett Kingsley Pte

Systems Accountant

Surrey

c. £32,500 + Car

Within the next 18 months, this market-leading £multi-billion FMCG group plans a total redevelopment of its UK-wide accounting systems, including migration to a brand new DEC VAX installation.

As a result, there is a key requirement for an experienced professional to help ensure that the new systems come on line efficiently and to specification. Liaising with a broad spectrum of accounting and systems personnel, you will lead the implementation of the new purchase, nominal and fixed assets ledgers throughout the company.

A confident and ambitious qualified accountant, you will need to have gained first-hand experience of systems implementation on a nationwide scale.

In return for your analytical and interpersonal skills, you can expect excellent visibility and long-term prospects, together with significant large-company benefits which include a non-contributory pension, BUPA and relocation assistance.

Write, with full CV and daytime telephone number, to
Patrick Downey, quoting reference FT/061.



P.D. Consultants

MANAGEMENT - SELECTION
314/316 Vauxhall Bridge Road, London SW1V 1AA. Tel: 01-828 2275

Finance Director

London W1 • to £45,000

International trade is forecast to grow dramatically in the 1990's, providing outstanding business opportunities for exporters worldwide.

Our client provides UK and overseas companies with unique on-line information services helping them to expand their businesses. Established in 1987 and backed by substantial capital resources, the Group is anticipating a period of sustained growth. A Stock Exchange Listing is a medium term objective.

To play a major role in this expansion they seek a dynamic Finance Director. Looking for your next major career

progression, you will be a Chartered Accountant, currently in a senior related company.

The position offers an outstanding challenge in corporate development through the Group's UK and overseas subsidiaries.

Please write, in strict confidence, enclosing CV giving present salary and with details showing your relevance to this position, to Colin J. Hooker FCA, quoting ref: 482.

DBA Associates Limited,
Clerks' Well House,
19 Britton Street, London
EC1M 5NQ. Tel: (01) 250 0003



Financial Controller Property

S. East

To £38,000 + Car

Our client, a medium sized plc, is a well known and respected property developer with operations throughout the South-East. The group has an enviable reputation for building well-designed, quality units and is committed to steady expansion throughout the UK in selected locations.

Reporting to the Group Finance Director, this challenging role will encompass full financial control responsibilities through the enhancement and development of management information and financial reporting systems. The ability to adopt a hands-on approach to problem solving is considered essential.

The ideal candidate, a highly motivated individual aged 28-33, should

have at least three years post-qualification experience, preferably within the property sector. Strong communication skills and a high degree of self confidence are essential requirements in order to liaise effectively with senior management and lead a committed finance team.

In addition to the advertised salary, the benefits package will include a fully expensed car, profit related bonus, attractive pension scheme and medical insurance. Prospects for promotion will be limited only by personal ability.

For further information contact James Hyde on 01-839 7595 or alternatively write, enclosing a detailed CV, to the address below.

**ST. JAMES
ASSOCIATES**

MANAGEMENT SELECTION

32 ST. JAMES'S SQUARE, LONDON SW1Y 4JR FAX: 01-830 7470. TELEPHONE: 01-839 7595.
A GKR Group Company

BUSINESS APPRAISAL FINANCIAL SECTOR

ACA

One of the leading UK financial groups, with a progressive approach to diverse global activities and an enviable record of success, seeks to strengthen one of its key areas.

Due to internal promotion within the organisation we are seeking two recently qualified accountants to join a dynamic business team.

Business viability studies, strategic reviews, control analysis, post implementation reviews and secondments to UK and overseas operations are all directed by the operational review division.

Reporting to the Business Manager, you will gain comprehensive commercial experience for a period of two years before being actively

promoted to a business area where your marketable skills can be used and excellent career goals pursued.

To meet the demands of the role it is essential that candidates are Chartered Accountants with large client experience. Interpersonal skills, initiative and a high motivation level are necessary in order to liaise effectively with senior executives on a variety of projects.

A competitive salary is offered together with excellent financial sector benefits.

For a confidential discussion telephone Benjamin Anderson today on 01-437 0464 or write to him, enclosing brief details, at the address below.

ROBERT • WALTERS • ASSOCIATES

RECRUITMENT CONSULTANTS

Queens House 1 Leicester Place London WC2H 7BP
Telephone: 01-437 0464

The MAC Group is an International Management Consultancy based in central London and we are currently seeking a

General Ledger Accountant

Reporting to the Accounting Manager. The position will entail the keeping of the Company books to trial balance, assisting in the preparation of monthly management accounts, annual returns etc.

Computer knowledge (MS DOS) is essential and a knowledge of Lotus 123 desirable.

Applicants should be part-qualified (ACMA) or by experience. The Accounts Department is a busy, hardworking environment. Energy and enthusiasm are essential. An excellent salary and benefits will be offered.

Please apply in writing, enclosing your current CV to:

The Accounting Manager
The MAC Group
22 Grafton Street
London W1X 3LD

No Agencies Please

FINANCE DIRECTOR EXCELLENT £ + CAR

A rare opportunity has arisen in the hi-tec world of International computer software.

An appointment must be made quickly at this dynamic young company's European headquarters based in the Thames Valley.

You will need to be fully qualified with experience of dealing at a Senior Management level, preferably with an international bias. You will be able to demonstrate good interpersonal skills and an ability to lead your Finance team to ensure the provision of accurate and on-time monthly accounts, as well as meeting management reporting, budgeting and forecasting requirements.

Remuneration will comprise a generous salary, and outstanding benefits including car, non-contributory pension and life assurance schemes, as well as BUPA.

If you combine an easy going personality with required professional qualifications; are challenged by an opportunity; and have the energy and commitment to contribute personally to our success within a fast-moving industry, then write immediately with full CV to: Box A1435, Financial Times, One Southwark Bridge, London SE1 9HL.

FINANCIAL PLANNING CONTROLLER

EXCITING
OPPORTUNITY
IN OIL
AND GAS

Ours is a unique history of success. Formed in 1971, LASMO PLC has grown to become the UK's second largest independent oil and gas exploration and production company, capitalised by over £1.3 billion. We have offices in eight countries, interests in fifteen and established net production in excess of 80,000 barrels of oil equivalent per day.

Based at prestigious offices in the Broadgate Development at Liverpool Street, but with some overseas travel, this is a significant opportunity to make a real impact on our business. Following an initial familiarisation and training period, you will then be expected to deputise for the Manager, Financial Planning whilst reporting to the Group Controller. Your specific responsibilities will cover:

- Co-ordinating and consolidating group budgets and strategic plans
- Developing and enhancing financial planning across the group
- Assessing the corporate impact of acquisition and divestment strategies
- Implementing divisional targets and measuring performance

This is a demanding hands-on role at the centre of a growth orientated company offering opportunity and senior management exposure. Supported by a small team of accomplished professionals, it will place you firmly at the sharp end of the business involving regular contact with the Finance Director.

We will be looking for proven drive and initiative, a keen business instinct, a desire to progress, and the ability to motivate your team and push for tangible results. The combination of experience and enthusiasm we need dictates that you'll be a Graduate Qualified Accountant, strong in systems and analytical ability along with first class communication skills and commercial acumen.

Our salary and benefits package is highly competitive and includes a company car, annual profit sharing, and all the other benefits associated with a major employer. Relocation expenses will be met where appropriate.

Your first step is to write in confidence to Keith Fines, Personnel Development Adviser, LASMO PLC, 100 Liverpool Street, London EC2M 3BB.

LASMO

THE LEADING INDEPENDENT
EXPLORATION AND PRODUCTION COMPANY

Financial Accounting Manager — where the emphasis is on the management and development of your team

You are a qualified accountant, with significant staff management experience, gained in a large, possibly public, company. At Birmingham Midshires Building Society you will find a role that will utilise your expertise, whilst adding an extra dimension to your personal development.

We are one of Britain's fastest growing financial services organisations. Continued expansion of our core business has been matched by diversification into new areas, including Insurance and Estate Agency.

Consequently we have introduced a high profile, fully integrated financial accounting function throughout the group. You will, through the effective management of your large team, provide a high level of service to senior management. This will cover all aspects of financial accounting, ensuring full compliance with all statutory and other internal/external financial information requirements.

Benefits offered include an immediate concessionary mortgage, generous relocation assistance, where appropriate, contributory pension scheme, life cover, private health insurance and company car.

Of equal importance, prospects for career advancement are excellent.

Please write with full career details to: Philippa Harrison at Birmingham Midshires Building Society, 35-49 Lichfield Street, Wolverhampton WV1 1EL. Telephone Wolverhampton 710710 for further information.

**Birmingham
Midshires
Building Society**



für den Aufbau unserer
Akquisitionsabteilung
in der
Bundesrepublik Deutschland

Financial Controller

c.£30,000
+ Firmenwagen

McGregor Cory

McGregor Cory's client portfolio contains 50 of the UK's top 100 companies - putting us at the forefront of our industry in terms of size, and top of the rankings in terms of reputation.

We supply short and long term contract distribution and warehousing throughout the UK. And mainland Europe - a side of our business we are successfully developing.

To investigate further advancements in Europe, and specifically in West Germany we are looking for a financial controller to complete a highly professional acquisitions team.

Initially you will be based at our headquarters in Bracknell, Berks. After a 4 month induction programme you'll be relocated to Frankfurt where, in close cooperation with our European Development Director you will be confronted with the opportunity to bring all your financial skills to bear.

Amongst some frenetic acquisition activity, your financial management responsibilities will span cash flow, cost control, preparation of monthly management accounts, and budgeting.

A qualified accountant, with at least 2 years' post-qualification experience, you should possess some experience of working in Germany, and of course, be fluent in the German language. Your communication skills should be as polished as your financial expertise.

We can offer the above salary, an attractive benefits package, and comprehensive assistance with relocation. If you are interested in this high-ranking financial position with excellent prospects for sustained career progression to Director status, please write, enclosing full C.V. to, Anne Phillips, Personnel Manager, McGregor Cory, Cory House, The Ring, Bracknell, Berkshire RG2 1AZ.

OCEAN
An Ocean Company

FINANCIAL CONTROLLER/ GROUP ADMINISTRATOR

Expanding Consulting Group

Our Client is a well established specialist consultancy, providing expertise in the field of major accident investigations. The firm holds a pre-eminent position in this area, with increasing growth and the establishment of new offices and companies in the UK and overseas. In order to support this growth, a qualified Accountant or Chartered Secretary is required to fill this No. 1 role.

The successful candidate will be responsible for a small team. The position will encompass full administrative responsibilities and Company Secretarial duties together with the maintenance of tight financial controls, the production of monthly management accounts, cash flows, budgets and forecasts. The firm's computerised accounting system is currently being developed and one of the Financial Controller's tasks will be to develop this system further to meet the Group's requirements.

Candidates are likely to be in their mid 30's with a solid base of practical and theoretical knowledge, together with experience of financial systems review and development. Good analytical and communication skills are essential, as is the ability to contribute to a changing and expanding environment.

Please apply directly to Ingrid Poynton at Robert Half, Freepost, Walter House, Bedford Street, 418 The Strand, London WC2R 0BR. Telephone: 01-836 3545 or evenings on 01-995 2960. Alternatively, fax your details on 01-836 4942.

Financial Recruitment Specialists
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c. £32,000

+ Car

City



ROBERT
HALF
LONDON

challenging role in dynamic plc

GROUP FINANCIAL ACCOUNTANT

London W1

to £35,000 + car

A highly rated UK manufacturing group has a turnover exceeding £200m with an exceptional record of growth both organically and through acquisition. The head office function is lean, but influential in the direction of the operating companies and group strategy.

The Group Financial Accountant is an important player, reporting to the Group Financial Controller with responsibilities for profit and cash performance and reporting, treasury, one-off investigations and board and statutory requirements.

Aged in your early 30s post qualifying experience should include the use of reporting, consolidation and analytical skills gained in a sophisticated quoted group. You must have the presentational skills to succeed in a fast moving environment.

Further opportunities in the group will occur and the role could change as quickly as the group's profile.

Please write, enclosing a full career/salary history and daytime telephone number, to John Sleigh FCCA quoting reference J/893/F.

FINANCIAL CONTROLLER

Music Industry

West End

To £30,000 + Car + Benefits

Our client is fast establishing itself as a major name in the record industry, and is part of a large, well known UK entertainments group. The company has already grown dramatically in recent years and exciting plans for further expansion and development exist for the future.

The company wishes to recruit a Financial Controller who will be responsible for the overall finance function of the business. This will include running a team of some ten staff, covering vital areas such as financial and management accounting, financial analysis, credit control and systems development work. In addition, the Controller will work closely with board members, identifying and analysing potential acquisitions and new areas for business development. Prospects for career development within the group are outstanding.

The successful candidate will be a qualified accountant, aged between 26 and 32, who is able to demonstrate the necessary technical skills as well as a commercial approach and a high level of business acumen. The ability to communicate effectively at all levels and make a positive contribution to a young, dynamic management team is essential.



If you believe you have the potential our client requires and the determination to succeed in this exciting environment, please contact Charles Austin or Simon Hewitt on 01-488 4114, quoting reference number A546, or write to them at Mervyn Hughes International Limited, Management Recruitment Consultants, 63 Mansell Street, London E1 8AN. (Fax No. 480 7622)

MERVYN HUGHES



GROUP FINANCIAL CONTROLLER

Package £35-40 + Car

ARE YOU CALCULATING A MOVE?

Do you believe you are an individual who:

- is self motivating, ambitious and looking to earn a Board appointment within the next few years
- possesses good line management skills
- has experience of upgrading computer systems
- is aged between 30 - 40 with upgrading computer systems

and last, but not least has a sense of humour, then you could be the person we are looking for.

In return we at the William Steward Group can offer you the stability of an organisation established in 1933, which today is one of the countries leading Electrical and Mechanical contractors and low voltage switchgear manufacturers, with subsidiaries in the U.S.A. East and Central Africa; and the challenge of working within a company that has trebled its annual turnover in 6 years and intends to continue expanding its activities, such as our latest move into the Fibre Optic Data communications field.

R.M. Jacobs, Group Managing Director, William Steward (Holdings) Ltd., Nash House, Old Oak Lane, LONDON NW10 6DF

ASSISTANT FINANCIAL CONTROLLER

London/Kent Borders

To £30,000 + Car + Benefits

This newly created force in the financial services market is now looking to appoint an assistant FC to join their dynamic and highly professional management team.

Established in 1988 with substantial backing by one of the world's leading insurance groups, our clients' core business is the domestic investment market; utilising state of the art technology, allied to a unique approach to the market place, the company is swiftly becoming a market leader.

Applicants for this key role should be recently qualified Chartered Accountants with 3 years' "hands on" systems-oriented commercial experience, preferably within the financial services sector.

Prospects for the successful candidate in this expanding organisation (both organically and by acquisition) are excellent as they are wide ranging.

For further details please contact Kim Langridge, consultant to the company on 01-409 7308, or write to him at the London office.



ALLIED RECRUITMENT

34 SOUTH MOLTON STREET, LONDON, W1Y 2BP
TELEPHONE (01) 409 7308, FAX (01) 493 6157
LONDON • ST ALBANS • BRACKNELL

FINANCE DIRECTOR

Surrey

£32,500 negotiable

Operating in the custom built sector of the residential housing market, our client is a major subsidiary of a publicly quoted development Group. Despite current market conditions, the Group is projecting substantial long term growth based on its proven trading philosophy and in-depth management strength.

Reporting to the Managing Director, you will have full responsibility for all the commercial, administrative and financial aspects of the business. You will be a qualified accountant in a senior financial position with experience of a tough fast-moving environment. Knowledge of the

housebuilding industry would be an advantage. However, a keen commercial awareness and record of achievement are paramount.

There are excellent career opportunities within the Group and a highly competitive benefits package is available.

Please write, in strict confidence, enclosing all information in support of your application, including salary details and specific reference to the position, to George Feenley-Whittington, quoting Ref: 484, Profile Group Limited, Clarke Well House, 19 Britton Street, London EC1M 5NQ. Tel: (01) 250 0003.

Profile
Management
Search

FINANCIAL DIRECTOR

LONDON BASED

SALARY C. £50 - 60,000
Plus car etc

Applications are invited for the position of Finance Director for a multi-national Company with an annual turnover in excess of £200m.

The principal responsibilities will be:

- ★ Corporate Development and M & A.
- ★ Financial Control
- ★ Consolidation of accounts providing Group and profit results.
- ★ Acquisitions and disposals
- ★ Bank loan negotiations
- ★ Preparations of financial strategies.

Aged 35 - 45, an ACA with M & A experience and a strong but flexible personality would be best suited to this highly entrepreneurial environment.

The international responsibilities will entail overseas travel, and languages particularly French and German would be a significant advantage.

Please write with a full career and salary history to:

Box A1436, Financial Times
One Southwark Bridge, London SE1 9HL

APPOINTMENTS WANTED

Chartered Accountant
with broad commercial and professional
experience, computer literate, seeks a
new and stimulating opportunity.

Former expatriate willing to relocate
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British organisation.
Write Box A1433, Financial Times, One
Southwark Bridge, London SE1 9HL

START A GREAT CITY CAREER

Substantial income and capital gain for those considering a career move within or into the financial world.

For detailed information, call:
Carey Wilson on 01-629 4977
(West End Office) The M.I. Group

Company Accountant - Young, Ambitious, Commercially Aware Automotive Supplies Industry

With imminent major UK expansion in the pipeline, a unique opening has arisen for a young and ambitious accountant now looking for a rare opportunity to prove themselves within a commercially-aware management role.

Ideally aged between 25-30, you will be a Qualified Graduate Accountant with some manufacturing experience able to demonstrate a good knowledge and understanding of the accounting function within a unit of a large multi-national organisation.

Based in Shropshire, you will be responsible for the day-to-day running of the accounts department including the preparation of all company accounts, financial forecasting and the implementation of new and improved information systems utilising the existing computer system. A knowledge of German would be a distinct advantage.

Prospects for advancement in this young and progressive company are exceptional. A comprehensive benefits package including an excellent salary and fully-expensed company car will be negotiable upon age and experience.

Please write or telephone for a Personal History Form to: E.M. Shill MECl, as advisor to the company, John Phillips Selection Limited, Norfolk House, Smallbrook Queensway, Birmingham B5 4LJ. Tel: 021-643 9648. Quoting reference number 2034.

International
Group
Shropshire
£ Excellent
+
Executive Car

JOHN PHILLIPS
SELECTION

Finance Director Designate

Property Company Central London
£35,000-£40,000 plus car and excellent benefits

Our client is a young, dynamic, professional and expanding property company specialising in commercial investments and trading throughout the UK. It has experienced substantial growth over the last three years and currently has a net asset base with a value in excess of £15 million.

In order to manage and control its continued growth, the company now needs to recruit a Finance Director Designate who will be solely responsible for all financial aspects of running the company and who will contribute towards management decision-making. Specific duties will involve production of financial and management accounts, liaison and negotiation with bankers and other professionals, project appraisal, supervision of accounting team and all company secretarial matters.

Candidates should be qualified chartered accountants with at least 2 years' post-qualification experience within a property investment company. They should have sound technical knowledge and the ability to identify problems and produce effective solutions. The ideal candidate will also have a confident, outgoing approach and will be able to demonstrate their ability and potential for further development.

A salary of £35,000-£40,000 is offered, together with a fully expensed company car and excellent pension arrangements. Share options will be available on promotion to the Board.

Please write, in confidence, to Kelly Iriondo at the address below, quoting reference number SHA 1421.



Stoy Hayward Associates

MANAGEMENT CONSULTANTS, EXECUTIVE RESOURCING, 8 BAKER STREET, LONDON W1M 1DA
FAX No: 01-487 3686

Ambitious Young Chartered Accountant

City

Our client is a specialist aviation insurance company in the City with a considerable client base in the UK and agents overseas. The company has created this new position which will suit an ACA with 2-5 years of post qualification experience.

Beside taking on some of the Chief Accountant's responsibilities, including financial and management accounting, the successful candidate will be responsible for a number of new tasks. These will include further development and enhancement of management reporting and compliance with the

c.£29,000 + benefits

requirements of overseas regulatory bodies.

Computer literacy, insurance industry knowledge are an advantage but not essential.

The position not only offers an excellent package, but also career progression opportunities for the right candidate in a company which is committed to training and personnel development.

Please send brief personal and career details quoting reference F/090/K to Suzanna Karoly, Ernst & Young Search and Selection, 1 Conduit Street, London W1R 9TB.

Ernst & Young

International Growth Industry FINANCIAL TROUBLESHOOTER

NW London

to £29,000 + car

Our client, a British-owned international group is involved in the design, importation and wholesaling of brand named goods.

Rapid expansion over the past five years, as a result of entering new markets and launching new brands into existing markets, has led to a growth in turnover from £20m to £100m.

The growth to date, together with further intended expansion overseas, has led to the need to strengthen and further develop the Group Finance function.

Reporting to the Group Finance Director this newly created role, seen as a training ground for future Financial Controllers, will be responsible for:

- undertaking specific assignments dealing with general business systems and control issues
- proposing sound recommendations for the improvement and establishment of policies and procedures
- providing temporary cover for Controller level positions within subsidiaries

- assisting in the evaluation and integration of acquisitions
- assisting in defining and implementing a group strategy for compensation

There will be a significant amount of overseas travel to Europe, the Far East and the Americas.

You will be a young qualified accountant (ACA/ACCA), with excellent communication skills both written and oral, able to use your own initiative and work with a minimum of supervision.

You will have the strength of character to be confident when putting forward your recommendations to senior management, and possess the potential to progress into a line management role within the Group.

If you wish to discuss this opportunity further, please contact Shirley Knight, BA, ACMA, MBA, on 01-491 3431 or write to her at FMS, 14 Cork Street, London W1X 1PF enclosing a recent CV and note of current salary.

F M S

Search and Selection Specialists
for
Financial Management

FINANCIAL CONTROLLER With Commercial Flair

West End

£35,000 + Car

Our client, part of an international group, operating within the direct marketing/publishing sector has experienced significant growth since its inception two years ago. To help ensure this continued success, they want to appoint a Financial Controller to enhance and manage the finance function.

Reporting directly to the Managing Director, and with total responsibility for all statutory and management reporting, you will be expected to take an active role in the development of the company. This will involve considerable interpretation of the figures in addition to the management of their computation to maximise the performance of the company.

To take advantage of this challenge, you should be an ACA or ACCA

with at least three years post qualification experience. This should have been gained in a commercial environment where your actions have had a direct effect on the performance of the business. However, of paramount importance is your ability to be innovative and flexible within a small but dynamic organisation. With a hands-on approach to management and good interpersonal skills, this is an excellent opportunity to get involved with the commercial aspects of finance.

If writing your own job description appeals to you, please send your CV to our advising consultant, Fiona Davidson, at Seer Selection Ltd, Marcol House, 293 Regent Street, London W1R 7PD. Alternatively, please telephone her on 01-631 0479 (days) or 01-470 0534 (evenings and weekends).



Make a
Real Impact
and
Develop Your
Career

Senior Financial Analyst Up to £27K + Car

Part of the world renowned Philips Group, MEL has become established in its own right as a technically innovative and highly successful specialist in advanced defence technology, with a number of major projects in the pipeline.

Internally, we are structured into four largely autonomous divisions - each of which is responsible for its own projects. It is for one of these divisions that we are now looking for a highly motivated individual who is keen for responsibility to join us as a Senior Financial Analyst.

In this challenging role, you will be extremely proactive in all aspects of the division's operations - from price guidance and budgetary control to forecasting and new business proposals. In addition, you will provide a whole range of advice to the Business Manager and his management team.

A diplomatic, tenacious and persuasive individual with plenty of initiative, you should have 2 years post qualification experience in management accounting. Previous long term contracts experience is a pre requisite and knowledge of Defence Contracting would be a distinct advantage.

In return for your abilities, we can offer a highly competitive salary, plus an attractive package of benefits including private health insurance, contributory pension scheme and relocation assistance where appropriate. Your opportunities for further career progression will also be first class.

To apply, please write with your CV to Neil Bayne, Personnel Manager, MEL, Manor Royal, Crawley, West Sussex RH10 2PZ or telephone (0293) 28787.

PHILIPS



Appointments advertising

appears every Monday, Wednesday and Thursday

Assistant Financial Controller Zurich

Merrill Lynch is one of the world's leading financial institutions, with 40,000 people employed in some 30 countries worldwide. The Zurich operation of Merrill Lynch Capital Markets is an active participant as market maker, issuer and underwriter of Swiss Franc denominated securities.

We now have an opportunity for an Assistant Financial Controller to join our team of 40 people working here.

Working closely with the Financial Controller, you will be responsible for assisting him in all aspects of Trading Control, Financial and Management Accounting and Treasury work. Your duties will encompass all the specialist areas of financial control, but you will also be required to take on responsibilities in a wide range of related fields, including risk management and exposure analysis.

As a result, you should ideally be a qualified - or experienced part-qualified - accountant, and it is likely that you have already gained a general background in financial services or the banking sector. Analytical and communication skills are paramount, and you should be familiar with accounting procedures and controls. A knowledge of Personal Computers is essential.

The level of expertise required to succeed in this position is reflected in the attractive salary and benefits package. In addition, you will have a real opportunity to develop a set of skills which will considerably enhance your career prospects.

If you would like to know more about the position, please write with full career details to Frau U. Wehrli, Direktion, Merrill Lynch Capital Markets AG, Muhlebachstrasse 23, 8024 Zurich, Switzerland.



Merrill Lynch
A tradition of trust

BRITISH VIRGIN ISLANDS

Due to continued expansion, we have the following vacancies in our Tortola Office:

TRUST MANAGER

The position will involve the administration of a portfolio of trusts and companies for international clients.

The successful applicant will be expected to have the full range of trust/company management skills and the ability to communicate with clients and their professional advisors. The Trust Manager will report directly to the Board of Directors, be capable of operating independently and managing the office in the absence of the Directors.

ACCOUNTANT ACA/ACCA

This position is suitable for a newly qualified accountant. The successful applicant will report to the Board of Directors and be responsible for the preparation of the Company's and clients accounts. The position will also involve direct communication between the accountant, the clients and their professional advisors.

The Advertiser is a major financial group with a network of Trust/Company Management offices in various offshore centres. We offer an attractive remuneration package which includes non-contributory pension and health schemes.

Applications, including a full C.V. should be addressed to:
Box A1434, Financial Times, One Southwark Bridge, London SE1 9PL

Finance Director Financial Services

£40,000-£50,000 + Share Options
+ Executive Car + Benefits

Hertfordshire

Black Horse Agencies Limited, one of the leading estate agency networks in the U.K. with over 500 offices, wishes to appoint a high calibre Finance Director.

There is the potential for significant further career opportunities within the Lloyds Abbey Life plc group of companies. The successful candidate will be a highly experienced, professionally qualified graduate capable of taking a leading role in determining and implementing the strategic plans for the business, liaising closely with the Chief Executive on all general management issues.

Experience in a retail environment would be helpful and good communications, organisation and inter-personal skills are essential.

For further information, or a confidential discussion please contact:

Peter Constable, Chief Executive
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Telephone (0707) 275371



**Black Horse
Agencies**

Deputy Financial Director West End to £30,000 + car + benefits

Our client is a well respected and expanding service company with an impressive record of growth and development. The group has established itself as one of the market leaders in its field and their unique style has attracted some of Europe's best-known organisations. They have identified the need for a Deputy Financial Director to assist with future expansion.

Reporting to the Financial Director he/she will have wide-ranging responsibilities beyond the financial function as well as being an active participant in the future business growth.

Candidates will be chartered accountants with 2-3 years post-qualification experience in a commercial environment. You will have the ability to work in a fast-moving and creative environment whilst motivating a small accounts team. Computer literacy, communications ability and strong management skills are essential.

Interested candidates who meet these demanding criteria, should send a detailed CV, including current salary to David Fyles, quoting reference LM111 at Spicers Executive Selection, 13 Bruton Street, London W1X 7AH.



SPICERS EXECUTIVE SELECTION
A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL